Maple Mountain

PART I

THE FINANCIAL FEASIBILITY OF MAPLE MOUNTAIN PROJECT

WOODS, GORDON & CO.

PART II

MARKET FEASIBILITY STUDY OF THE MAPLE MOUNTAIN PROJECT

P.S. ROSS & PARTNERS

PART III

A PLAN FOR THE DEVELOPMENT OF SKI FACILITIES AT MAPLE MOUNTAIN

P.S. ROSS & PARTNERS

MINISTRY OF INDUSTRY AND TOURISM

PROVINCE OF ONTARIO

THE FINANCIAL FEASIBILITY OF THE MAPLE MOUNTAIN PROJECT

JUNE 1973

A REPORT FROM

Woods, Gordon & Co.

MANAGEMENT CONSULTANTS

Woods, Gordon & Co.

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June 12, 1973

Mr. R.L. Brock
Director
Special Projects and
Planning Division
Ministry of Industry and Tourism
900 Bay Street
Hearst Block
Queen's Park
Toronto 182, Ontario

Dear Mr. Brock:

We are pleased to submit our report entitled "The Financial Feasibility of the Maple Mountain Project". From the information provided to us by your office, we have performed the financial assessment of the investment components of which the Project is comprised, both collectively and severally. We have further developed a village budget and from this derived the tax burden to condominium owners and enterprises.

We have fully enjoyed working with you on this assignment, as well as with the other consultants who provided you with the information on market and capital cost estimates.

Yours very truly,

Woods, Gordon & Co.

MJM/EC/MV

THE FINANCIAL FEASIBILITY

OF THE MAPLE MOUNTAIN PROJECT

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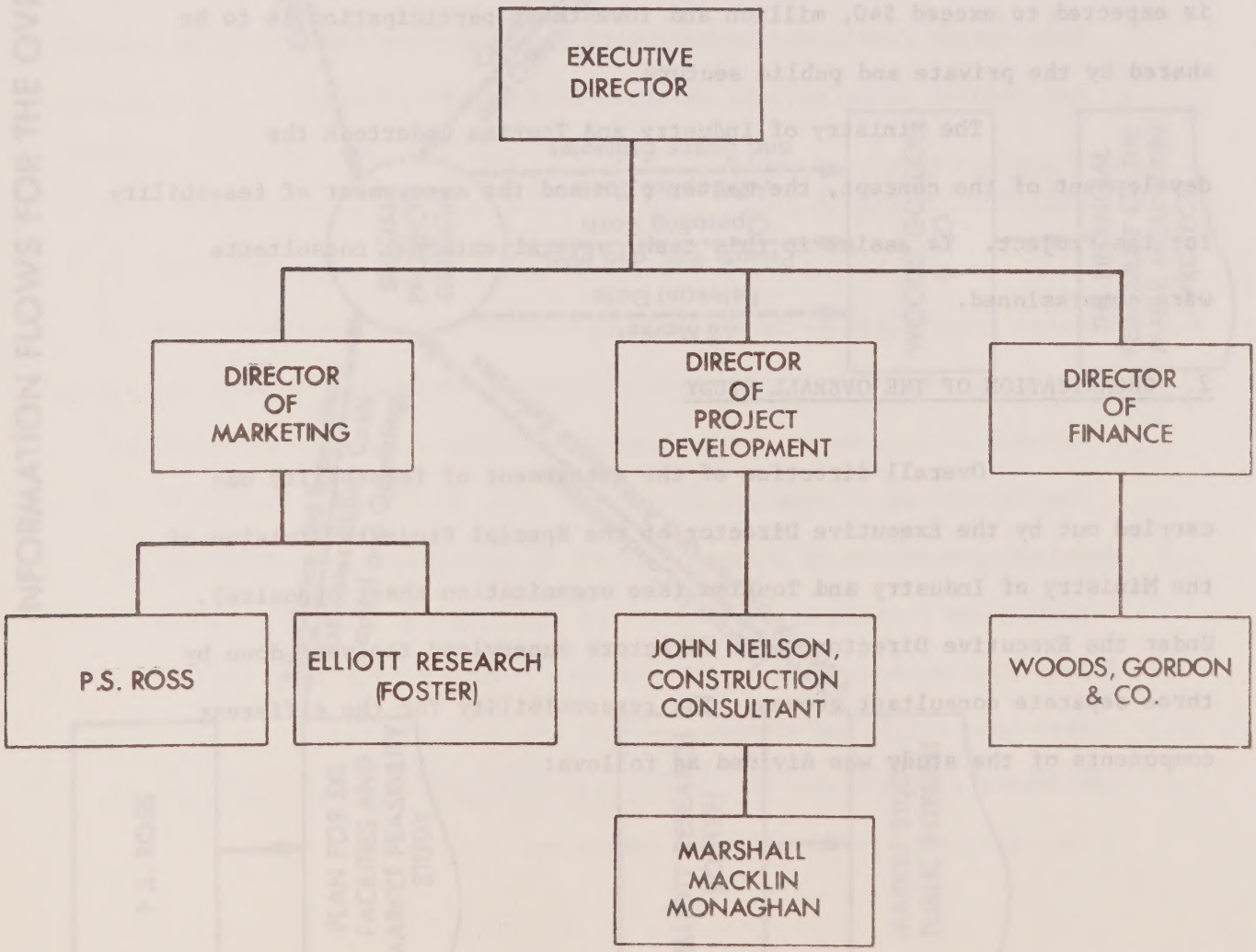


THE FINANCIAL FEASIBILITY OF THE MAPLE MOUNTAIN PROJECT

I SUMMARY

1. INTRODUCTION

The Maple Mountain Project is proposed as a multi-facility resort complex offering year round recreation to largely "destination" vactioners. Its intended location is in the area of Northern Ontario that lies 35 miles west of the town of Haileybury.

The capital cost of the entire first phase of the Project is expected to exceed $40, million and investment participation is to be shared by the private and public sectors.

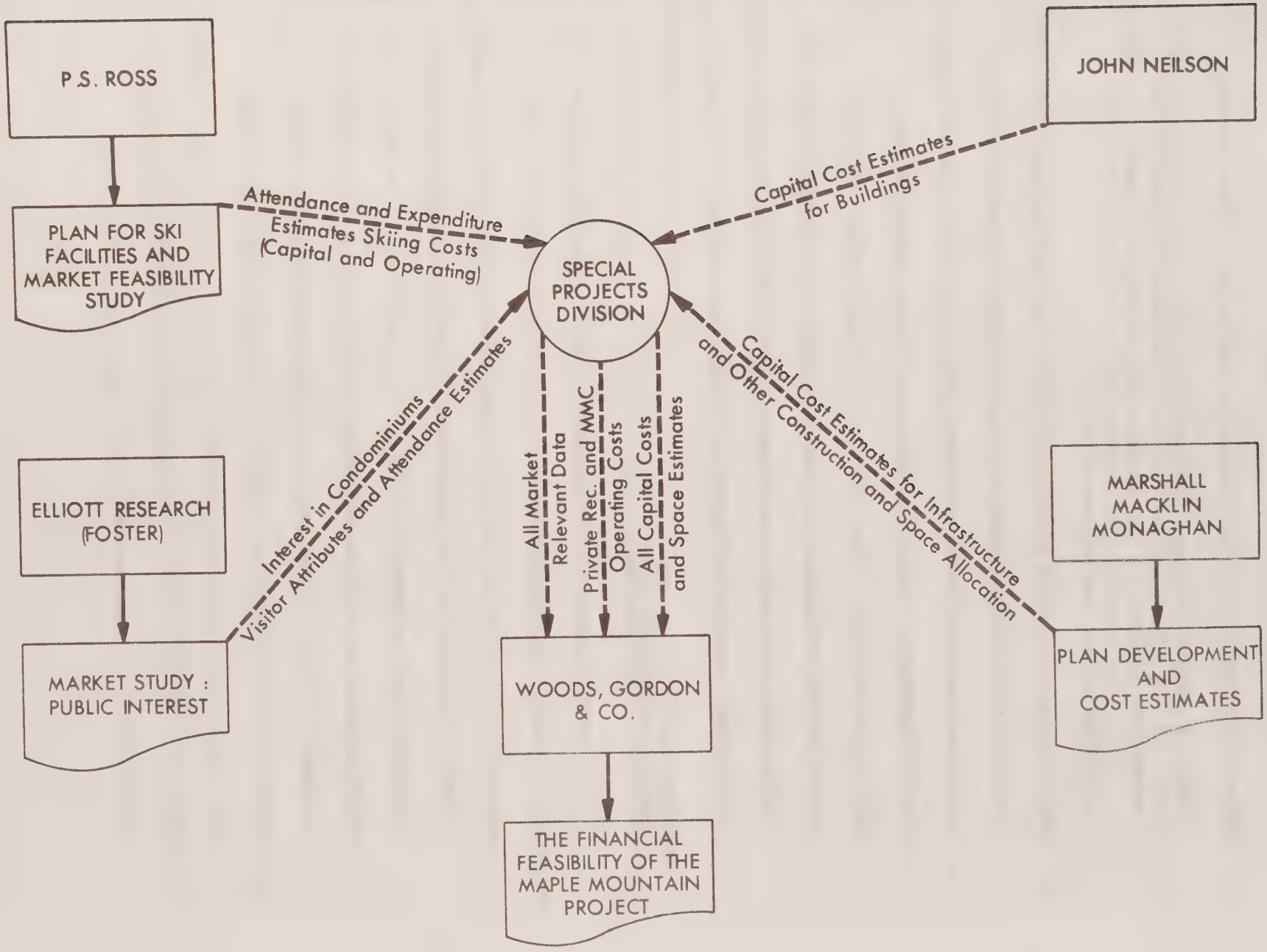
The Ministry of Industry and Tourism undertook the development of the concept, the master plan and the assessment of feasibility for the Project. To assist in this task, several external consultants were commissioned.

2. ORGANIZATION OF THE OVERALL STUDY

Overall direction of the assessment of feasibility was carried out by the Executive Director of the Special Projects Division of the Ministry of Industry and Tourism (see organization chart opposite). Under the Executive Director three directors supervised the work done by three separate consultant groups. The responsibility for the different components of the study was divided as follows:

FIGURE 2

INFORMATION FLOWS FOR THE OVERALL STUDY



1. Under the supervision of the Director of Marketing, Elliott Research (Foster) and P.S. Ross and Partners developed estimates for seasonal attendance, expenditure patterns by vacationers, and estimates of market attributes and potential for condominium sales.
2. Under the supervision of the Director of Project Development, John Nielson, Construction Consultant, and the firm of Marshall Macklin Monaghan developed the detailed plans for the construction of buildings and infrastructure as well as estimates for all capital costs.
3. Under the supervision of the Director of Finance, Woods, Gordon & Co. conducted the assessment of financial feasibility using as input the information developed in the Market Study and the Study of Construction and Capital Costs as well as other information provided by the Ministry.

3. SCOPE AND OBJECTIVES OF THE FINANCIAL FEASIBILITY STUDY

Woods, Gordon & Co.'s responsibility in carrying out the financial feasibility study extended to:

1. structuring the financial analysis to account for major interrelationships between components of the project and thereby providing for internal consistency in the analysis,
2. developing measures of financial worth for the overall project and its components (return on investment and net present value),
3. determining a theoretical sale price for land and from this a lease rate that would, at minimum, recover the costs of basic infrastructure,
4. developing a budget for the incorporated village and from this deriving the tax burden to condominium owners and private enterprise,

5. and, developing operating costs for the hotel operations in detail and more generally for the other private enterprises.

The objectives of the Woods, Gordon & Co. study were:

1. to determine the overall financial feasibility of the Project
2. to identify those investment components which would appear to have the greatest profit potential and those for which some form of assistance may be required
3. and to determine in addition to private profitability, the adequacy of recovery of Government of Ontario money invested in the Project.

In conducting this study, the following information was supplied to Woods, Gordon & Co.:

1. Detailed estimates of visitor attendance by season.
2. Detailed estimates of daily expenditures by visitors.
3. Price and quantity estimates for condominium sales.
4. All estimates of capital costs.
5. All estimates of space allocation.
6. Estimates of operating cost for private recreation facilities.
7. Estimates of operating costs associated with the activities of the Maple Mountain Corporation.
8. Various policy decisions of the Maple Mountain Corporation.

As instructed by the Executive Director, Woods, Gordon & Co. accepted all of the above items as given.

FIGURE 3

SUMMARY TABLE FOR FINANCIAL FEASIBILITY

	CAPITAL COST ($000)	NET PRESENT VALUE 20% "HURDLE" RATE ($000)	INTERNAL RATE of RETURN %
PRIVATE			
TOTAL STUDIOS	$ 466	$ -240	1.04 %
TOTAL ONE-BEDROOM	4,916	-2,320	2.68
TOTAL TWO-BEDROOM	6,780	-3,274	2.28
TOTAL THREE-BEDROOM	3,305	-1,364	4.89
TOTAL CONDOMINIUMS (2)	15,467	-7,199	2.93
HOTEL (LODGES)	5,187	-1,835	7.03
OTHER RESTAURANTS AND BARS	675	-162	9.97
FOOD, DRUGS, L.C.B.O.	178	-297	NEGATIVE
SERVICE ENTERPRISES	178	20	24.14
CLOTHING STORES	25	640	885.0
VARIETY STORES	25	215	316.0
SPORTING GOODS AND RENTALS	31	703	781.0
PROPERTY MANAGEMENT	2,445	631	33.21
PRIVATE RECREATION	437	636	72.17
TOTAL PRIVATE (EXCLUDING CONDOS)	9,181	549	22.39
PUBLIC			
MAPLE MOUNTAIN CORPORATION	6,707	NPV AT 8% 373	9.65
INFRASTUCTURE RECOVERED THROUGH LAND	4,166	0	8.0
INCORPORATED VILLAGE	789	0	8.0
TOTAL PRIVATE (EX CONDOS) AND PUBLIC	20,843	NPV AT 20% AND 8% 922	
ITEMS WITH DEFERRED RECOVERY	8,223	NA	NA
GRAND TOTAL	44,430		

(1) All capital costs are ajusted to a common year from the phased estimates.
(2) All condominium capital costs are those costs to the purchaser and are not based on constructions cost.

4. CONCLUSIONS

If the assumptions employed throughout this study (which are obviously crucial to this analysis, and which are set out in detail under Major Assumptions and in the appendices) may be considered to reasonably represent actual future conditions, the following conclusions may be drawn from the analysis of the Maple Mountain Project:

1. Using 20 per cent to discount the before-tax cash flow to private investment (exluding condominiums), the net present value of the combined operation of hotel (and lodges), private commercial enterprises, and private recreational enterprises is slightly in excess of $500,000 on total private capital invested of over $9 million. This is shown in the table opposite (Figure 3). Alternatively, the internal rate of return (or that rate of return at which initial capital costs and future net benefits are exactly offset) for this combined investment is about 22.4 per cent.

2. Condominiums, while not an attractive investment for the strictly profit-oriented purchaser when assessed only on a cash generation basis, do, however, generate sufficient cash to cover operating costs and to make some contribution to interest charges and depreciation for all sizes except the Studio. Because of the dual nature of prospective condominium owners (owning condominiums for personal pleasure as well as for investment to varying degrees), it was felt that this portion of investment should be analyzed separately. Furthermore, it was felt it should not be included in the calculation of an overall net present value or internal rate of return either for private investment or combined private and corporation investment

in order to keep these concepts meaningful when applying them to more business-oriented ventures for which psychic benefits do not enter the analysis.

3. All government monies invested in the Project (with the exception of the items for deferred recovery) are recovered at an 8 per cent cost of capital with those invested in the Corporation-run recreational facilities yielding a net present value of over $300,000 and an internal rate of return of about 9.7 per cent.

4. The net present value for combined private and public investment using discount (or "hurdle") rates of 20 per cent and 8 per cent respectively is slightly less than $1 million. These analyses are based on capital inputs of $9 million for the private sector and $12 million for the public (excluding the deferred recovery items).

5. Areas of private investment that appear to be capable of earning some return are shown below with their rankings in terms of net present value (NPV) and internal rate of return (IRR)

	Rank by NPV	Rank by IRR
1. Hotel (Lodges)	8	8
2. Other Restaurants and Bars	7	7
3. Service Enterprises	6	6
4. Clothing Stores	2	1
5. Variety Stores	5	3
6. Sporting Goods and Rentals	1	2
7. Property Management	4	5
8. Private Recreation	3	4

The actual values for the NPV and IRR calculations can be seen on Figure 3.

7. One private investment category, for which some assistance or redesign may be necessary, is that group consisting of the various food stores, drug store and liquor and beer store.

5. RECOMMENDATIONS

It is recommended that the Ministry of Industry and Tourism incorporate into its ultimate decision regarding the Maple Mountain Project the following two considerations:

1. An assessment should be made of the extent to which regional benefits of an economic nature such as employment creation and income multiplier effects can improve the overall benefits accruing from the Project. Overall economic feasibility impinges upon the assessment of the combined effects of financial worth, net regional benefits, and the benefit derived from the improvement of Ontario's tourist potential. Such assessment would involve the measurement of each of these categories of net benefits and would require the assignment of weights reflecting the relative importance attributed by the Ontario Government to each of these types of benefit.

2. An assessment of the individual profit requirements of potential investors in each type of enterprise and the adequacy of the potential returns indicated by the study in view of those requirements should also be carried out. This step would be most important since, as a result of varying degrees of risk, availability of financing, and accepted profit margins among businesses most of these enterprises will have different costs of capital and therefore return on investment criteria.

ANALYSIS

II ANALYSIS

1. INTRODUCTION

The concept for the Maple Mountain Project has been developed by the Ministry of Industry and Tourism of the Province of Ontario with the assistance of several consultants.

The Project consists of a year-round multi-facility resort to be located at Maple Mountain which is about 35 miles west of Haileybury. The resort complex is intended to offer a variety of accommodation and a wide range of recreational and sporting facilities and is to comprise a permanent community complete with municipal administration and infrastructure for the provision of community services.

A primary consideration for the location of the Project at Maple Mountain is the potential contribution that it can make in stimulating development in the region. In view of the high unemployment rates in the area, the net out-migration, and the fact that the Project is expected to provide full-time employment for several hundred inhabitants of the Tri-Town area in the region, the benefit from employment creation alone together with the resulting multiples of expenditure flows, are worth consideration in final assessment of the Project's worth. Furthermore, the size of the Project relative to the economy of the region is of sufficient magnitude to have an impact on trade flows and business enterprises in the area. Assessment of the extent and desirability of such impact lies beyond the scope of this study. However, such considerations of regional impact should be included in a final decision on the implementation of the Project.

Two characteristics of the Project's design have very important implications for the scope and conduct of the feasibility study. These are:

1. The importance of relative isolation resulting from location upon the spending habits of visitors to the resort.
2. The importance of the ability of the overall complex to attract visitors. This is assumed to exceed the sum of the abilities of each of the components to draw visitors on their own.

The first characteristic implies that for "destination" visitors, there will be very little leakage of expenditure into other areas. That is, whatever they decide to spend on their vacation should, for the most part, be spent at the resort. It also implies that, to a certain extent, the volume of spending by visitors depends upon the level of facilities and services available to absorb those expenditures. Therefore changes in the assumption of types and quantities of facilities offered would necessitate changes in the assumptions on visitor spending patterns.

The second characteristic implies that any estimates of potential attendance and revenue generation obtained from market research can only be considered reliable when applied to the initial concept of the resort upon which the original market estimates were based. To assume a different configuration of basic facilities, or to assume that the basic facilities have been scaled differently would require close re-examination of the market data.

Recognizing the importance of the two above-mentioned factors, no attempt has been made to analyze alternatives herein by varying facilities mix and scale of capital investment. The Project was therefore assessed, taking the design as being fixed. However, tests were conducted to show the effect of changing certain key variables whose variability was not considered to drastically alter basic market relationships.

2. METHODOLOGY

Because of the general complexity of the project in terms of types of private investment, combined involvement by the private and public sectors, rental relationships, and the requirement to finance the operations of an incorporated village through the levy of property and business taxes, a model for analysis was designed which incorporated all of the major relationships between the components of the Project. It was then possible to quickly and accurately trace the range and magnitude of impact throughout the system of a change in revenues, costs, or major decision variables such as commercial rental rates or capital costs included in calculations of recovery through taxation.

Three major interrelationships in the analysis are worthy of mention at this point, since their existence resulted in trade-offs between investment components of the Project:

1. Assuming that the Maple Mountain Corporation leases the land to private investors, the revenue from land lease constitutes revenue to the Corporation for the purpose of recovering costs of infrastucture. However, at the same time the lease rate

affects the cost structure of the various enterprises thereby having an opposite effect on their profitability.

2. The theoretical sale price of land upon which the Corporation bases its lease rate affects the assessed value of property and thereby the share of total taxes levied by the village that each enterprise must pay. Furthermore while the amount of taxes that the incorporated village can levy determines the extent to which it can cover its operating costs, these taxes constitute costs to the enterprises thereby having a negative effect on their profitability. In addition, variations in land value tend to shift the distribution of the tax burden depending upon relative quantities of land used.

3. The assumed rental rate for commercial space constitutes revenue to both the private property manager and the Maple Mountain Corporation. Thus the higher the rental rate, the better their returns on investment. However, rent on commercial space constitutes a cost to other enterprises (with the exception of the hotel and the condominiums) thus a high rental rate would depress the profits of these other enterprises.

As a result of these interrelated costs and revenues and at the same time the existence of different cost structures among different enterprises, equal dollar amounts of these costs and revenues redistributed among the different components of the project, will not only have different impact on the financial performance of the components but will result in varying impact upon the measures of financial feasibility for the overall project.

3. MAJOR ASSUMPTIONS

In conducting the analysis Woods, Gordon & Co. made the following assumptions:

1. Maple Mountain has been considered to constitute a single project and is therefore considered to be indecomposable as a unit of investment. In other words, while it may be comprised of a number of investment components which may be analyzed seperately, these analyses do not hold unless it is assumed that all other components of the Maple Mountain Project will exist.
2. Private investment components have been analyzed without specific assumption of economies or diseconomies resulting from division e.g. while more than one hotel might exist, hotel analyses were performed assuming that all hotel activity is embodied in a single manageable unit. Similarly for other enterprises.
3. Competent management was assumed in all cases.
4. All analyses have been conducted under the assumption of equal inflation of both costs and revenues. Thus all figures are expressed in 1973 dollars.
5. Revenues and costs (other than depreciation and interest) have been assumed to be flat over the planning horizon.
6. The planning horizon was chosen to be 5 years because of the possible shifts in costs, revenues, and regional development that would probably be substantial beyond that period.

7. All capital costs have been assumed to be spent in year 0, which in this case was taken to be 1976-77. Where actual capital outlays have been staged before or after this time period, adjustments have been made to reflect the cost of money.

8. For the purpose of financial feasibility analysis, the only second round spending included was staff expenditures. Any inclusion of subsequent rounds of spending with concomitant leakages would require the positing of somewhat tenuous assumptions about the value of the "multiplier" associated with the Project.

9. For all investment that is to be capitalized by either private investors or the Corporation, 5% declining balance was the method by which capital consumption allowance (C.C.A.) was calculated on buildings and 20% declining balance, the method for furniture, fixtures, and equipment (F.F.E.).

10. Residual value in all present value calculations has been assumed to be book value since market value is not relevant for many categories of investment and not ascertainable for those categories for which it may be relevant.

11. It has been assumed that the Maple Mountain Corporation will recover its costs of infrastructure by leasing land to the private sector.

12. It has been assumed, however, that the Corporation will pay land lease costs on its skiing and other recreational activities in order to impute an opportunity cost to this land which could be leased out to the private sector.

13. It has been assumed that all major infrastructure capital costs exclusive of the access highway and starting costs will be totally recovered (plus provision for covering the cost of money) over 50 years. The items not recovered have been assumed to be added to capital costs to be recovered in Phase II.

14. Calculation of land lease costs have been based on an average rate per square foot. In actual fact, however, there will be price discrimination based upon whether the land is located in the village core or outside of the village. For purposes of more accurate valuation, land lease costs have been applied on the basis of commercial space occupied. Since structures in the core will vary between one, two, and three stories in height, the result will be to approximate a price of core land per square foot, that is double the price of land outside of the core.

15. It has been assumed that of all the commercial activities, Maple Mountain Corporation will receive revenue from:

    (a) Skiing.
    (b) All recreational activities not handled by the private entrepreneurs.
    (c) Rental of commercial space in the lodges and Golf Clubhouse.
    (d) The day nursery.

    All other commercial enterprises will be run by private investors.

16. Maple Mountain Village has been assumed to be a legal entity commencing in the first year of operation.

17. Condominium owners will be required to rent their units when they are not using them themselves.

18. It has been assumed that because of the pooling arrangement for condominiums that condominium owners will be subject to a business tax as well as a property tax. This assumption was made for the sake of conservatism. Furthermore, it was assumed that all owners would be treated as individuals for tax purposes.

19. In assessing the net worth of the overall project, returns to condominium owners were excluded because of:

    (a) the dual nature of the owner being possibly both investor and consumer.

    (b) different R.O.I. requirements and different tax position of owners.

20. In the treatment of debt, the following assumptions have been made:

    (a) Condominiums - Interest expenses have been assumed to remain constant at a flat 10% of principal, the latter being assumed to be 80% of gross investment.

    (b) Hotel/Lodge - Interest expenses have been assumed to be a flat 10% of principal, the latter being assumed to be 55% of gross investment. The reason for flat interest assumption is that hotels generally maintain a reasonably stable debt/equity ratio through turning over debt.

    (c) Other Private enterprises - No debt has been assumed hence no interest charges. Because of the heterogeneity of enterprises it is most difficult to assign debt/equity configurations. Any arbitrary allocation was considered to be of questionable value, particularly since the financial assessment was being done independent of the source of financing.

    (d) Maple Mountain Corporation - Relevant debt was assumed to consist of the cost of public investment less that portion directly related to the Village and less the amount included in the calculation of recovery through land sale or lease. Interest is calculated at 8 per cent on a balance that was assumed to decline over a 20-year repayment period.

    (e) Maple Mountain Village - Debt consists of the value of capital equipment directly related to the village. Interest on this amount was calculated at 8 per cent and diminishes with equal repayments of debt over a 20-year period.

21. For purposes of financial analysis, it has been assumed that lodge facilities and hotel facilities are basically the same, having the same management and operating under the same cost structure.

22. The hotel has been assumed not to receive revenue from concessions within its buildings nor to engage in any other commercial activity.

23. A management fee for the hotel has been included in the hotel costs as an imputed cost which reflects the opportunity cost to the owner-manager of running the hotel.

24. It has been assumed that convention activities will help maintain reasonably high occupancy levels but that hoteliers will not face excessive land lease costs as a result of extending hotel facilities to accommodate this trade.

25. All accommodation revenues have been assumed to be net of discounts to tour operators.

26. All hotel restaurant revenues have been assumed to be net of employee meals.

27. It has been assumed that all leases are straight leases without purchase options.

28. It has been assumed that condominiums and hotels are owned but that all private commercial space is rented or leased from a private developer/realty or property manager or from the Maple Mountain Corporation at a rate of $6 per square foot.

29. Land lease costs have been assumed to be passed on to the tenants of commercial space.

30. Municipal taxes based on land value only have been assumed to be directly paid by tenants. The property manager has been assumed to pay municipal

taxes on betterments only. If the latter is to be passed on to tenants, it has been assumed that this will be done through the space rental rate.

31. All enterprise variable costs have been based on the assumption that the resort will remain open for all but six weeks of the year. (three weeks in fall and spring).

32. Advertising for the Project has been assumed to be shared by the Private sector and Corporation on the basis of 2 to 1. Private enterprises are assumed to share according to space allocation. Separate advertising for Condominiums has not been taken into account.

33. To calculate net present value figures, 20 per cent was used as the before-tax "hurdle" rate for all private investment and 8 per cent was used for all Government investment.

34. All revenues to enterprises in the analysis have been assumed to be potentially attainable and the degree to which they are attained will depend upon the competency of management.

35. The analysis was conducted for Phase I only.

In addition to these major assumptions the appendices contain a number of more detailed assumptions that were made by the Special Projects & Planning Division and by Woods, Gordon.

FIGURE 4

SUMMARY TABLE FOR CONDOMINIUMS

TYPE	CAPITAL COST ($000)	20% NPV ($000)	IRR	AVERAGE ANNUAL R.O.I. %	AVERAGE ANNUAL ROI TO EQUITY %
STUDIOS (INDIVIDUAL)	$18.64	$ -9.6	1.04%	6.51%	-2.75%
ONE-BEDROOM (INDIVIDUAL)	24.58	-11.6	2.68	7.06	0*
TWO-BEDROOM (INDIVIDUAL)	33.90	-16.4	2.28	7.06	0
THREE-BEDROOM (INDIVIDUAL)	44.04	-18.2	4.89	7.06	0

* The zero values of R.O.I. to equity overstate these returns (which should be negative) because of the special tax treatment whereby condominium owners are not permitted to apply capital consumption allowance to incur a net loss to be applied against other income.

ANALYSIS OF CONDOMINIUMS

An analysis of the purchase of a condominium as a type of investment presents certain problems that are not found in the analyses of other investment components in the Project.

The potential condominium purchaser will undoubtedly have a dual nature. On the one hand, he may be primarily an investor who is considering the purchase of a condominium as one of several alternative instruments for making a profit. On the other hand, he may be primarily a consumer, who, for purposes of prestige, security, or other psychic benefit be motivated to purchase a condominium for just those reasons. However, these two cases are extreme categories into which only a few potential purchasers would fall. The majority of potential purchasers would most likely be motivated by a combination of investment potential and non-pecuniary benefits. The relative weightings placed on these two criteria by an individual purchaser, let alone a group of purchasers is extremely difficult to ascertain.

Even if investment potential were the only criterion upon which a purchaser based his choice, certain assumptions have been necessarily incorporated into the analysis which distort the true investment potential of this class of investment:

1. The assumption of owner-useage understates the revenue-generating potential of the condominium, particularly if no value is imputed to the benefits derived from such useage as they are not.
2. A major attraction of a real estate investment can be its prospective capital appreciation. No estimate has been made of possible appreciation in this analysis since a host of factors, not the least of which

is the ultimate success of the Project, can affect market value over time.

3. It might be possible to achieve economies through purchasing several condominiums for business purposes only and through selling effort maintain high occupancy ratios and reduce unit costs. However, since a large number of possible ownership configurations could be presented and without sufficient information to verify the existence of such economies, it has been assumed that constant returns accrue whether an investor owns one condominium of a certain size or a number.

However, analysis was undertaken for each size of condominium in a manner similar to that used in the analyses for other investment components. It is recommended that the measures of financial feasibility on condominiums not be used as a basis of comparison with other types of investment and that the above limitations be taken into consideration when drawing conclusions from this portion of the analysis.

Several facts do emerge clearly from the analysis of condominiums:

1. Sufficient revenues are generated from each type of condominium to cover operating costs. Before tax cash flow while not profitable at a 20 per cent discount rate, is, in fact positive and for all sizes except the Studio, will contribute to interest charges and depreciation.
2. Three-bedroom condominiums appear to offer the best investment recovery of the four types of condominiums.

3. The assumption of 80 per cent mortgage financing results in two things:

(a) negative leverage resulting from an interest rate that is higher than the rate of profit on gross investment and a high debt/equity ratio.

(b) an understatement of the true costs of depreciation resulting from the restriction that the tax laws place upon a property owner preventing him from drawing down a loss before depreciation charges any further through the application of capital consumption allowance.

The detailed analysis for condominium may be found in Appendix D.

ANALYSIS OF HOTEL (LODGE) OPERATION

In the analysis of the hotel and lodge operations, it was assumed that regardless of the possibility of the physical deployment of hotel buildings into separate units under separate managements the overall hotel operations would be characterized by the same cost structure and would be under one management. Furthermore, operation of the lodges was assumed to very closely resemble that of the hotel in cost structure. Hence, all hotel/lodge activity was combined into a single analysis.

Several assumptions that were made which are relevant to the hotel/lodge analysis should be mentioned at this point.

1. Room rates were assumed to be net of commissions to tour group operators.
2. It was assumed that of total dollars spent in the resort on restaurant food and liquor, the hotel/lodge restaurants would be able to capture 45 per cent of this value.
3. It was assumed that the hotel would be owned and not rented, thus building rent would not constitute a cost of operation.
4. It was assumed that the hotel owner would provide its own management, however, a management fee of $45,000 was imputed to reflect this item as an opportunity cost.
5. An annual occupancy rate of 72% was assumed with average rates per person per night of $13.05 in summer and winter and $11.50 in the "shoulder" season.
6. A Debt/Equity ratio of 55:45 was assumed.

FIGURE 5

SUMMARY TABLE FOR HOTEL (LODGE)

TOTAL CAPITAL COST	$5.187	million
N.P.V.(20%)	- $1.835	million
I.R.R.	7.03%	
AVERAGE ANNUAL R.O.I.	6.26%	
AVERAGE ANNUAL R.O.I. TO EQUITY	3.92%	
LAND LEASE COSTS PER SQUARE FOOT	$1.14*	

* Based on actual land coverage of 58,000 sq.ft. (24,000 $ft.^2$ for hotel, 26,000 $ft.^2$ for lodge and 8,000 sq.ft. for restaurnat).

From Figure 5 opposite, it can be seen that the net present value of the hotel/lodge operation discounted at 20 per cent is - $1,835,221. This would indicate that, given the structure of operating costs, the hotel might face some difficulty in covering its interest charges and its sinking fund for depreciation.

Detailed analysis of the hotel/lodge operations can be found in Appendix E.

ANALYSIS OF PRIVATE ENTERPRISES

An integral part of the Maple Mountain Project which weighs heavily in the ability of the resort to attract and retain "destination" visitors is the variety of enterprises which will provide the broad spectrum of goods and services to satisfy the needs of vacationers. These commercial operations will range from vendors of basic staples to those who provide recreation and entertainment. Together, they will all be very important. It is difficult, however, to determine which, if any, might be absent from the vacation package offered without eroding its overall appeal.

Because of the isolation of the resort on the one hand (with concomitant dependency of commercial operators on resort visitors for the bulk of their revenue) and because of the difficulty to disaggregate types of consumer expenditures further, a number of enterprises were grouped into single categories. For this reason, as well as the fact that industry data does not exist on operations of such Canadian resort enterprises is difficult to obtain, general variable cost figures were derived which best reflect an average of variable costs of the different types of enterprises within each of the enterprise categories (See Appendix F for detail on private enterprise categories).

One aspect of the analysis of this component of investment must be stressed. Because of the heterogeneity of types of business enterprise to be included in the Project, because of the lack of precedent resorts of this nature from which to infer similarities and dissimilarities of operation, and because individual management capabilities can vary substantially among enterprises, it was assumed that total

FIGURE 6

SUMMARY TABLE FOR PRIVATE ENTERPRISES

TYPE OF ENTERPRISE	CAPITAL COST ($000)	NPV AT 20% ($000)	IRR %	AVERAGE ANNUAL R.O.I. %
OTHER RESTAURANTS	$ 675	$-162	9.97%	7.54%
FOOD, DRUGS, ETC.	178	-297	NEGATIVE	-40.18
SERVICE ENTERPRISES	178	20	24.14	21.05
CLOTHING STORES	25	640	885.0	871.30
VARIETY STORES	25	215	316.0	302.50
SPORTING GOODS AND RENTALS	31	703	781.0	767.53
PROPERTY MANAGEMENT	2,445	631	33.21	5.0*
PRIVATE RECREATION	437	636	72.17	65.69

* Adjusted for extraordinary income of $2.370 million in first year from condominium sales.

expenditures on different categories constitute attainable revenues to the various enterprises. Implicit in this is the assumption that space allocations have not resulted in shortfalls from which bottlenecks might result thereby making attainment of potential revenues unfeasible. Given this assumption, actual attainment of maximum revenues available from visitor spending depends on efficiency of operation and is therefore not considered to be unreasonable.

Several assumptions have been made directly relating to private commercial and recreational enterprises:

1. All commercial space has been assumed to be rented either from the private property manager or from the Maple Mountain Corporation.
2. Because there is such a variation in financing practices among enterprises, it has been assumed that no debt exists for any of them. Thus the only meaningful financial indicators for this category are those for profitability or return on gross investment regardless of the source of financing.
3. Enterprises have been assumed to pay municipal taxes only on the value of land on which their premsises are situated. It has been assumed that the property manager pays the taxes based on the value of betterments. If he is to pass this on to the tenants, it has been assumed he must do this through the commercial space rental rate.

From Figure 6 opposite it can be seen that the most potentially profitable enterprises are the Sporting Goods Stores, the Clothing Stores, the Variety Stores, Property Management and the Private Recreational Enterprise.

Other Restaurants and Bars show somewhat lower returns than the other categories. This probably reflects an average profitability with wide variation between potentially profitable "better" restaurants on the one hand and typically deficit-ridden operations such as the cafeterias and lunching places in the day-lodge and base lodge on the other.

Food, Drugs, Liquor, etc. appear to be unprofitable. However, since they have a high proportion of controllable costs, deficits may be reduced somewhat by cutting back the numbers of hours of operations.

Furthermore, the L.C.B.O. has its own criteria for opening a new outlet which should be taken into account. Their costs of operation were not attainable, however, it is likely that they would be able to formulate their own investment criteria from visitor attendance and gross expenditure figures.

Services while expected to provide adequate returns, include such items as a bank, and a post office, for which basic cost data were not available. These service institutions would have to be approached to determine for themselves if the gross volume of expenditures could support the facilities proposed for them.

Detailed analyses of the private enterprises can be found in Appendix F.

FIGURE 7

SUMMARY TABLE FOR MAPLE MOUNTAIN CORPORATION

TOTAL CAPITAL COSTS	$6.707 million
NPV AT 8%	$373 thousand
I.R.R.	9.65 %
AVERAGE ANNUAL R.O.I.	8.01 %

ANALYSIS OF THE OPERATIONS OF THE MAPLE MOUNTAIN CORPORATION

The role of the Maple Mountain Corporation is a complex one. While it is responsible for building the basic infrastructure, leasing the land, and providing much of the general administration for the Project, it also will function as an enterprise. Among its activities from which it will derive revenue as an enterprise are:

1. Skiing operations including lifts, lessons, and any other ski-related revenues.
2. All other recreational activities not handled by the private recreational entrepreneur.
3. Operation of the day-nursery.
4. Rent of commercial space in the Corporation buildings.

For the financial calculations, then, on the Corporation's activities as an enterprise, capital costs on all sporting and recreational facilities were included. Not included were the starting costs, the cost of the access highway, and all those costs to be recovered by the lease of land.

It was assumed that interest costs on debt outstanding to the corporation were only those related to the starting costs, access highway costs, and costs of recreational and sporting facility capital.

The interest on infrastructure cost recovered through the lease rate of land was assumed to be included in this rate.

Figure 7 opposite summarizes the Corporation's operations. Detailed analysis of the Corporation can be found in Appendix G.

ANALYSIS OF THE MAPLE MOUNTAIN VILLAGE BUDGET

It has been planned that there will be an incorporated village to provide the community service necessary to operate the Maple Mountain resort.

Generally, the costs facing a municipality are of three varieties:

1. Education and welfare levy
2. County or District levy
3. General Operating Costs

It has been estimated that the education and welfare levy would perhaps be about $120,000. Being in a Development District, the village would not be subject to a county or district levy. General operating costs include in addition to the costs of maintaining infrastructure and other services, a provision for debt refunding, as well as a provision for debt service (or interest). This differs from normal corporate treatment where depreciation would constitute an expense, but debt repayment would not.

Since in municipal budgeting both excessive surpluses and deficits are considered undesirable on the grounds of being inequitable, it is necessary for the municipality, or village in this case, to set its tax receipts at a level which will come close to balancing its budget.

Generally a municipality receives revenue from three sources:

1. Non-tax revenues (grants, etc.)
2. Property taxes
3. Business taxes

FIGURE 8

MAPLE MOUNTAIN VILLAGE BUDGET

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
NON-TAX REVENUE	100,000	100,000	100,000	100,000	100,000
TOTAL TAX REVENUE	510,208	507,056	503,904	500,752	497,600
TOTAL REVENUE	610,208	607,056	603,904	600,752	597,600
TOTAL COSTS	611,014	607,857	604,701	601,544	598,387
VILLAGE SURPLUS (DEFICIT)	(805)	(801)	(797)	(792)	(787)

It has been estimated that the village will receive non-tax revenues of about $100,000. The taxes have therefore been calculated to come reasonably close to balancing the overall budget.

For each of the condominiums and enterprises, assessments have been made of the market value of built-up property, mill rates have been calculated and tax burdens have been derived. Figure 8 opposite presents a summary of the village budget.

Detailed analysis of the Maple Mountain Village can be found in Appendix H.

APPENDICES

APPENDIX A

METHODOLOGY

i) Net Present Value

This method of investment evaluation requires the knowledge of the capital cost, the values of future receipts, the residual value of the asset at the end of the planning horizon and in addition requires the specification of the cost of capital or "hurdle" rate. The method then provides a decision rule. The net present value is calculated as

$$NPV = -C + \sum_{i=1}^{N} S_i \frac{1}{(1+r)^i} + R \frac{1}{(1+r)^n}$$

where NPV = net present value
C = capital cost
S_i = cash flow in the i^{th} time period
r = discount rate
R = residual asset value
and N = the planning horizon

If NPV is positive the investment may be considered to be worth undertaking. If negative, the investment is not considered profitable at the specified discount rate. The net present value calculation has the advantage of taking into account the effect of the timing of net receipts and gives the investor a single net value for an investment expressed in terms of the present based on his cost of capital.

ii) Internal Rate of Return

The internal rate of return method considers the time distribution of the full range of forecast inflows and makes a specific assumption about the rate at which funds are re-invested. If in reality there is little or no opportunity to re-invest the funds thrown off at the

internal rate then the result is that this method overstates the rate of return. Furthermore, unlike the net present value method which of itself provides a decision rule, the IRR method only provides a means for ranking investment alternatives. Comparison of the IRR must then be made with the investor's cost of capital in order for a decision to be made.

Solving for the internal rate of return involves applying a quadratic solution to the following equation

$$V = \sum_{i=1}^{N} S_i \frac{1}{(1 + r)^i}$$

in which V = original capital invested
S_i = cash flow in the i^{th} time period
r = internal rate of return

and V and S are known but r must be calculated. In other words, the internal rate of return is that rate which discounts all future receipts to a level that exactly offsets the initial capital invested.

iii) Depreciation Method and Residual Value

In the analysis the financial feasibility was assessed independently of the source of financing. This means that for before-tax cash flow, depreciation charges were added back and also interest charges, since depreciation does not represent a drain on the firm's cash reserves and interest deductions would amount to double counting when looking at gross investment and applying the cost of capital in the discounting operation.

However, even though depreciation does not directly enter the cash flow calculations, the method used had important implications for the net present value calculations via the residual value.

We chose 5 years as a cut off date or as our planning horizon. We did this because of the considerable uncertainty which surrounded any projection of costs and revenues beyond that date that would primarily result from regional developmental impact of the project with attendant repercussion effects. Thus, it was necessary to calculate a residual value for all costs which had been capitalized since they would all most likely have additional economic life at the end of the 5 years.

In our analysis we used 5 per cent declining balance for depreciating buildings and 20 per cent declining balance for depreciating furniture, fixtures and equipment. These methods were used as they represent allowable tax treatment and are of interest in looking at after-tax earnings. However, we also assumed that residual value of assets at the end of 5 years could be approximated by book value. We did this because of the difficulty in trying to ascertain a meaningful method for economic depreciation of the assets of the Project and a meaningful estimate for true residual asset value based either on market value or the discounted stream of receipts expected from time periods beyond the planning horizon. Thus in using book value calculated by applying the tax method of depreciation, there was a tendency to understate the true value remaining in many of the assets at the end of 5 years. While over the entire life of an asset, straight-line method and the accelerated method tend to bring both calculations of book value closer together, when we cut off our projections at the end of 5 years the book value remaining when calculated by the accelerated method is less than if straight-line depreciation were used. Thus this is one area of our analysis in which we were conservative.

EXHIBIT A1

ESTIMATES OF CAPITAL COSTS
(BUILDINGS AND F.F.E.)
ADJUSTED TO A COMMON YEAR

			YEAR -3	YEAR -2	YEAR -1	YEAR 0	YEAR 1	TOTAL (UNADJ.)	TOTAL
1.	CONDOMINIUMS								
	STUDIO	BUILDING				411,125		411,125	411,125
		FFE				55,000		55,000	55,000
	ONE-BED	BUILDING				4,335,500		4,335,500	4,335,500
		FFE				580,000		580,000	580,000
	TWO-BED	BUILDING				5,980,000		5,980,000	5,980,000
		FFE				800,000		800,000	800,000
	THREE-BED	BUILDING				2,915,250		2,915,250	2,915,250
		FFE				390,000		390,000	390,000
*	TOTAL CONDOMINIUMS					15,466,875		15,466,875	15,466,875
2.	HOTEL (LODGE) INCLUDING RESTAURANT								
	HOTEL	(72,000 ft.^{2}) BUILDING		291,600	583,200	1,312,200	729,000		
	LODGE	(26,000 ft.^{2}) BUILDING		105,300	210,600	473,850	263,250		
	RESTAURANT	(8,000 ft.^{2}) BUILDING		27,800	55,600	125,100	69,500		
	TOTAL	BUILDING		424,700	849,400	1,911,150	1,061,750	4,247,000	4,426,790
	HOTEL	FFE		36,000	72,000	162,000	90,000		
	LODGE	FFE		13,000	26,000	58,500	32,500		
	RESTAURANT	FFE		24,000	48,000	108,000	60,000		
	TOTAL	FFE		73,000	146,000	328,500	182,500	730,000	760,903
	TOTAL HOTEL							4,977,000	5,187,693
3.	PRIVATE COMMERCIAL								
	OTHER RESTAURANT AND BARS	FFE		64,800	129,600	291,600	[illegible],000	648,000	[illegible]
	FOOD, DRUGS, ETC.	FFE		17,100	34,200	76,950	42,750	171,000	178,239
	SERVICES	BUILDING			88,000			88,000	105,600
		FFE		6,900	13,800	31,050	17,250	69,000	71,921
	CLOTHING STORES	FFE		2,400	4,800	10,800	6,000	24,000	25,016
	VARIETY STORES	FFE		2,400	4,800	10,800	6,000	24,000	25,016
	SPORTS	FFE		3,000	6,000	13,500	7,500	30,000	31,270
	PROPERTY MANAGEMENT	BUILDING		234,562	469,124	1,055,529	586,410	2,345,62	2,444,922
4.	PRIVATE RECREATIONAL								
	TOUR BOATS AND SNOWMOBILES	(20% dep)				20,000	122,500	142,500	122,083
	SNOWMOBILE BUILDING	(5%)			37,500			37,500	45,000
	AIRPLANE AND TOUR BUS	(20%)					48,000	48,000	40,000
	LADY EVELYN BUILDING	(5%)			70,000	40,000	40,000	150,000	157,333
	LADY EVELYN FFE	(20%)				10,000	40,000	50,000	43,333
	TOTAL PRIVATE REC. BLDG.	(5%)						187,500	232,333
	TOTAL PRIVATE REC. F.F.E.	(20%)						240,500	205,416
	TOTAL PRIVATE RECREATION							428,000	437,749
5.	MAPLE MOUNTAIN CORPORATION								
	SKIING								
	LIFTS	(20%)				663,000	1,540,000	2,205,000	2,090,925
	SNOW-MAKING MACH.	(20%)				300,000	250,000	550,000	531,482
	VEHICLES	(20%)					173,000	173,000	160,185
	TRAILS	(5%)		101,000	175,000	175,000	50,000	501,000	528,103
	LODGES	(5%)			137,000	345,000	203,000	685,000	680,923
	MAINTENANCE BLDG.	(5%)			110,000			110,000	118,000
	TOTAL SKI	(20%)						2,928,000	2,782,592
	TOTAL SKI	(5%)						1,296,000	1,327,026
	TOTAL SKIING							4,224,000	4,109,618
	OTHER								
	GOLF CLUBHOUSE	(5%)			100,000	400,000	500,000	1,000,000	970,963
	GOLF COURSE	(5%)		225,000	250,000	75,000		550,000	607,440
	M.M.C. ADMIN. BLDG.	(5%)				160,000		160,000	160,000
	STABLE BUILDING	(5%)				25,000		25,000	25,000
	HORSES	(20%)					25,000	25,000	23,148
	TENNIS COURTS	(20%)			100,000	250,000	150,000	500,000	496,889
	FURNITURE	(20%)				25,000	145,000	170,000	159,259
	GOLF MAINTENANCE EQUIP.	(20%)				75,000		75,000	75,000
	WATER EQUIPMENT	(20%)					85,000	85,000	78,704
	TOTAL OTHER	(5%)						1,735,000	1,763,403
	TOTAL OTHER	(20%)						855,000	833,000
	TOTAL OTHER							2,590,000	2,596,403
6.	RECOVERABLE CORPORATION INFRASTRUCTURE								
	SITE WORK				75,000	240,000		315,000	321,000
	INTERNAL ROADS			70,000	300,000	170,000		540,000	575,648
	LADY EVELYN ACCESS ROAD			15,000	60,000	35,000		110,000	117,296
	PARKING AREAS			30,000	120,000	90,000		240,000	254,592
	WATER TREATMENT AND RESERVOIR				100,000	300,000		400,000	408,000
	WATER DISTRIBUTION			90,000	500,000	135,000		725,000	779,976
	SEWAGE TREATMENT				100,000	340,000		440,000	448,000
	SEWAGE COLLECTION/DISPOSAL			80,000	520,000	115,000		715,000	769,912
	HYDRO GENERATION								
	HYDRO DISTRIBUTION								
	GAS STORAGE				100,000	200,000		300,000	308,000
	GAS DISTRIBUTION								
	TELEPHONE PLANT								
	HIKING TRAILS				50,000	100,000		150,000	154,000
	PUBLIC DOCK AND RAMP					30,000		30,000	30,000
	TOTAL RECOVERABLE INFRASTRUCTURE							3,965,000	4,166,424
7.	INFRASTRUCTURE ITEMS RECOVERED IN PHASE II								
	ACCESS HIGHWAY		300,000	2,000,000	2,000,000	700,000		5,000,000	5,570,714
	STARTING COSTS		200,000	400,000	700,000	900,000	300,000	2,500,000	2,652,280
	TOTAL DEFERRED-RECOVERY							7,500,000	8,222,994
8.	MAPLE MOUNTAIN VILLAGE								
	POLICE HALL					35,000		35,000	35,000
	FIRE HALL					105,000		105,000	105,000
	AMBULANCE					35,000		35,000	35,000
	MAINTENANCE BUILDING AND YARD				10,000	80,000	30,000	120,000	118,578
	ADMINISTRATION BUILDING					53,000		53,000	53,000
	FFE					100,000	370,000	470,000	442,593
	TOTAL VILLAGE							818,000	789,171
	GRAND TOTAL							43,368,500	44,534,343

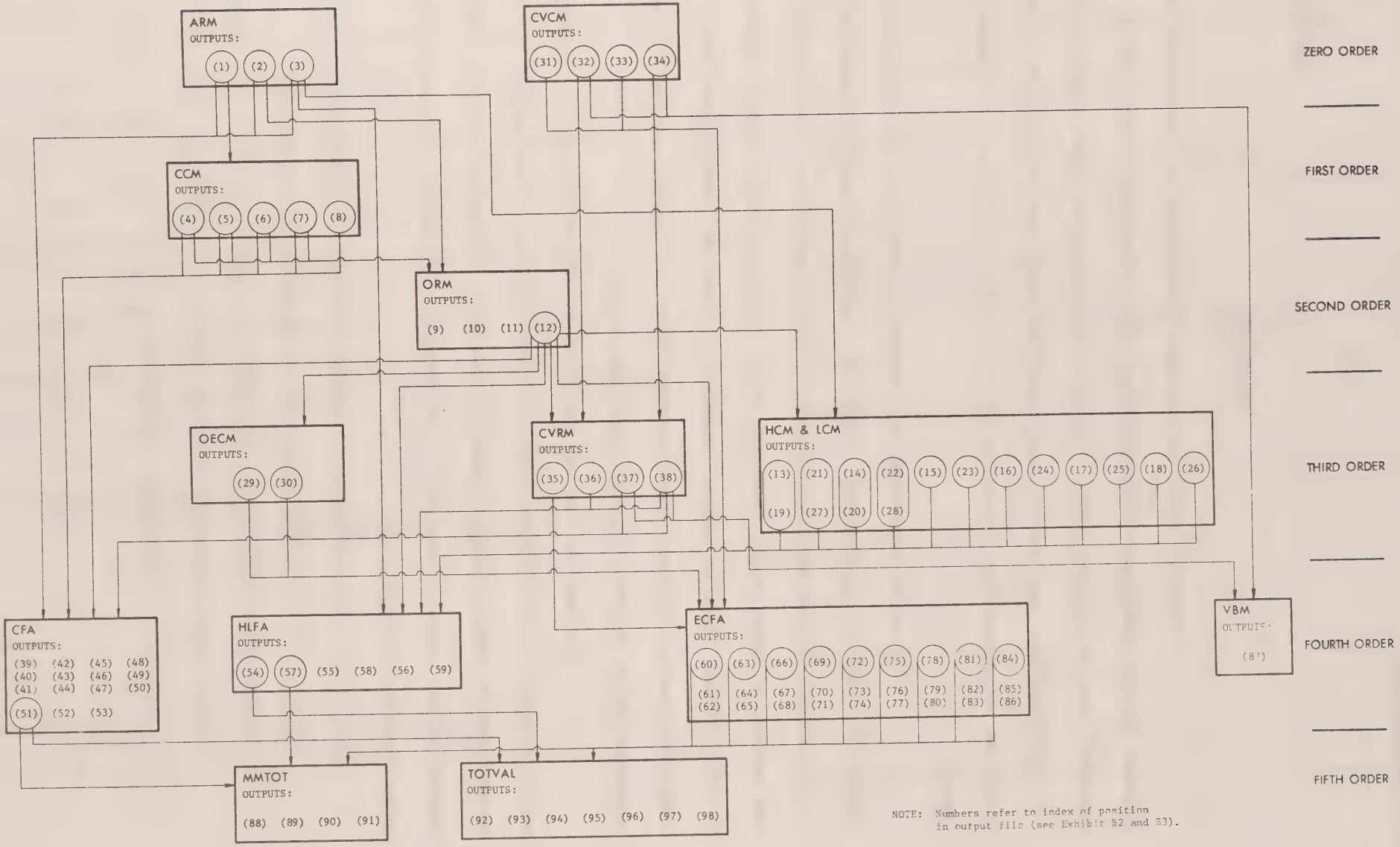
iv) Staging of Capital Investment

For the volume of capital investment planned for the Maple Mountain Project, it will be necessary to expend capital over the entire construction period, which may be as long as 3 or 4 years. When such expenditures are made over time, it becomes important to take the time value of money into account. This was done by adjusting all capital expenditures to a common year. For the private investment we applied a cost of tying up capital of 20 per cent per annum and for government investment 8 per cent was used. The staging of capital expenditures has a significant bearing on the profitability of a project. As can be seen from Exhibit A1, it improves the costs to an investor, the greater the proportion of capital expenditure that he can defer to the latter part of the construction period.

It has been assumed for the purpose of conducting the financial feasibility analysis that the condominium builder's profit already accounted for the cost of capital involved in staging the expenditures. The capital costs to the condominium owner, then, were assumed to be expended totally in year zero thereby not resulting in additional costs.

EXHIBIT B1

CAUSAL ORDERING OF THE MAPLE MOUNTAIN FINANCIAL MODEL



NOTE: Numbers refer to index of position in output file (see Exhibit B2 and B3).

APPENDIX B

THE MODEL

A computer model was designed to capture the interrelationships between various components of the Project and to provide consistency of the internal logic of the analysis. The use of the computer model ensured that the relationships, once having been specified would not be violated through errors or omissions when re-computing the various solutions with changes in inputs.

The model consisted of a number of modules, each relating to a specific type of calculation. Figure B1 (opposite) shows the modules used in the overall system and the sequential flow of execution. To describe the process of calculation in detail would involve a very lengthy exposition of the detailed computer logic. However, to keep the description both manageable and at the same time informative to the reader, each module is presented below in terms of only input and output.

For ease in tracing the logic of the model, and to facilitate easy reference to the original source of any variable a description of the system used to assign mnemonic names is set-out. These can then be looked up in Exhibit B3 and cross-referenced in the schematic in Exhibit B1 and the input-output profile in Exhibit B2.

1. All basic or original input variables were given mnemonic names which began with the letter I and were then numbered sequentially.
2. All input data which were referenced from the output file as intermediate outputs from previously executed modules were prefexed with the letter C and then numbered sequentially.

EXHIBIT B2

INPUT-OUTPUT PROFILE OF PROGRAM MODULES

1. ACCOMMODATION REVENUE MODULE (ARM)

INPUTS: FROM INPUT FILE I1(1)*, I2(2), I3(3), I4(4)

OUTPUTS: O1(1), O2(2), O3(3)

2. CONDOMINIUM COST MODULE (CCM)

INPUTS:
FROM INPUT FILE: I1(5), I2(6), I3(7), I4(8), I5(9), I6(10), I7(11), I8(12), I9(13), I10(14), I11(15)

" : FROM OUTPUT FILE: C1(1)

OUTPUTS: : O1(4), O2(5), O3(6), O4(7), O5(8)

3. OTHER REVENUE MODULE (ORM)

INPUTS: FROM INPUT FILE: I1(16), I2(17), I3(18), I4(1), I5(3), I6(19), I7(20), I8(21) I9(75), I10(82), I11(83), I12(84)

" : FROM OUTPUT FILE: C1(4), C2(5), C3(6), C4(7), C5(2)

OUTPUTS : O1(9), O2(10), O3(11), O4(12)

4. HOTEL COST MODULE (HCM)

INPUTS: FROM INPUT FILE : I1(22), I2(23), I3(24), I4(25), I5(26), I6(27), I7(28), I8(29), I9(30), I10(31), I11(32)

" : FROM OUTPUT FILE: C1(3), C2(12)

OUTPUTS : O1(13), O2(14), O3(15), O4(16), O5(17), O6(18), O7(19), O8(20),

**5. LODGE COST MODULE (LCM)

INPUTS: FROM INPUT FILE : I1(33), I2(34), I3(35), I4(36), I5(37), I6(38), I7(39), I8(40), I9(41), I10(42), I11(43)

" : FROM OUTPUT FILE: C1(3), C2(12)

OUTPUTS : O1(21), O2(22), O3(23), O4(24), O5(25), O6(26), O7(27), O8(28)

6. OTHER ENTERPRISE COST MODULE (OECM)

INPUTS: FROM INPUT FILE : I1(44), I2(45), I3(46), I4(47), I5(48), I6(49), I7(50), I8(51), I9(52), I10(53), I11(54), I12(55), I13(56), I14(57), I15(58), I16(59), I17(60), I18(61), I19(62), I20(63), I21(64), I22(65)

" : FROM OUTPUT FILE: C1(12)

OUTPUTS : O1(29), O2(30)

7. CORPORATION AND VILLAGE COST MODULE (CVCM)

INPUTS: FROM INPUT FILE : I1(66), I2(67), I3(68), I4(69)

OUTPUTS : O1(31), O2(32), O3(33), O4(34)

8. CORPORATION AND VILLAGE REVENUE MODULE (CVRM)

INPUTS: FROM INPUT FILE : I1(70), I2(71), I3(72), I4(73), I5(74), I6(13), I7(75), I8(22), I9(33), I10(65), I11(76), I12(77), I13(20), I14(78), I15(69)

" : FROM OUTPUT FILE: C1(12), C2(32), C3(34)

OUTPUTS : O1(35), O2(36), O3(37), O4(38)

9. CONDOMINIUM FINANCIAL ANALYSIS MODULE (CFA)

INPUTS: FROM INPUT FILE : I1(81), I2(6), I3(8), I4(10), I5(12), I6(13), I7(75), I8(14)

" : FROM OUTPUT FILE: C1(2), C2(1), C3(3), C4(12), C5(4), C6(5), C7(6), C8(7), C9(37), C10(8), C11(36)

OUTPUTS : O1(39 42 45 48), O2(40 43 46 49), O3(41 44 47 50), O4(51), O5(52), O6(53)

10. HOTEL/LODGE FINANCIAL ANALYSIS MODULE (HLFA)

INPUTS: FROM INPUT FILE : I1(22 33), I2(32 43)

" : FROM OUTPUT FILE: C1(3 3), C2(13 21), C3(14 22), C4(15 23), C5(16 24), C6(17 25), C7(18 26), C8(19 27), C9(20 28), C10(12 12), C11(38 38), C12(36)

OUTPUTS : O1(54 57), O2(55 58), O3(56 59)

11. ENTERPRISE AND CORPORATION FINANCIAL ANALYSIS MODULE (ECFA)

INPUTS: FROM INPUT FILE : I1(18), I2(65), I3(72), I4(74), I5(70), I6(71), I7(69)

" : FROM OUTPUT FILE: C1(12), C2(29), C3(30), C4(31), C5(33), C6(35), C7(36), C8(38)

OUTPUTS : O1(60 63 66 69 72 75 78 81 84), O2(61 64 67 70 73 76 79 82 85), O3(62 65 68 71 74 77 80 83 86),

12. VILLAGE BUDGET MODULE (VBM)

INPUTS: FROM INPUT FILE : I1(77), I2(69), I3(75)

" : FROM OUTPUT FILE: C1(34), C2(32), C3(37), C4(38)

OUTPUTS : O1(78)

13. TOTAL ANNUAL R.O.I. MODULE (MMTOT)

INPUTS: FROM INPUT FILE : I1(13), I2(14), I3(75), I4(22), I5(33), I6(65)

" : FROM OUTPUT FILE: O1(51 57 60 63 66 69 72 75 78 81 84), O2(54)

OUTPUTS : IROI (88 90), EROI(89 91)

14. TOTAL NET PRESENT VALUE MODULE (TOTVAL)

INPUTS: FROM INPUT FILE : TCC(13 14 75), THC(22 33), TOC(65)

" : FROM OUTPUT FILE: TCD(8), THD(20 28), TOD(30), TGD(30)

OUTPUTS : TPGIROI(92), TEGIROI(93), TROI(94), TPNPV(95), TENPV(96), TNPV(97), NPV(98)

* All numbers in brackets refer to the particular file index no. (See Exhibit B3). For indices of variables prefixed I, refer to input file, for indices of variables prefixed C or O, refer to output file.

** Because of the assumption that the hotel and lodge can be studied as a combined operation, all input and output variables for lodges have zero values.

DATA INPUT AND OUTPUT FILES

LIST OF INPUT VARIABLES

FILE INDEX NO.	DESCRIPTION	SHAPE	SOURCE
1	NON-OWNER VISITOR-DAYS BY ACCOMMODATION BY SEASON	(3,7,5)	S.P.
2	ACCOMMODATION RENTAL RATES PER PERSON BY SEASON	(3,7,5)	"
3	OWNER VISITOR-DAYS BY ACCOMMODATION BY SEASON	(3,7,5)	"
4	OWNER EXPENDITURES PER DAY ON ACCOMMODATION	(3,7,5)	"
5	STUDIO VARIABLE COST PERCENTAGES BY SEASON	(3,3,5)	"
6	STUDIO FIXED COSTS BY SEASON	(3,4,5)	"
7	ONE-BEDROOM VARIABLE COST PERCENTAGES BY SEASON	(3,3,5)	"
8	ONE-BEDROOM FIXED COSTS BY SEASON	(3,4,5)	"
9	TWO-BEDROOM VARIABLE COST PERCENTAGES BY SEASON	(3,3,5)	"
10	TWO-BEDROOM FIXED BY SEASON	(3,4,5)	"
11	THREE-BEDROOM VARIABLE COST PERCENTAGES BY SEASON	(3,3,5)	"
12	THREE-BEDROOM FIXED COSTS BY SEASON	(3,4,5)	"
13	CAPITAL COST OF BUILDING (TO INDIVIDUAL PURCHASER) OF 4 CONDOMINIUMS	(4)	"
14	CAPITAL COST OF F.F.E. (" " ") " " "	(4)	"
15	CONDOMINIUM INTEREST RATES, BUILDING DEPRECIATION RATE,FFE DEP. RATE	(3)	"
16	OWNER DAILY EXPENDITURES BY CATEGORY BY SEASON	(3,11,5)	"
17	NON-OWNER DAILY EXPENDITURES BY CATEGORY BY SEASON	(3,11,5)	"
18	REVENUE OPTION CODES AND MARKET-SHARES	(20,5)	"
19	HOTEL OTHER NET INCOME BY SEASON	(3,5)	W.G.
20	TOTAL LEASABLE SPACE AND RENTAL RATE PER SQUARE FOOT	(2)	S.P. & W.G.
21	SQUARE FEET OF CONDOMINIUMS SOLD AND PROFIT PER SQUARE FOOT	(2)	S.P.
22	HOTEL CAPITAL COST: BUILDING AND F.F.E.	(2)	"
23	HOTEL ROOM VARIABLE COST PERCENTAGES	(8,5)	W.G.
24	HOTEL ROOM FIXED COST AMOUNTS	(5)	W.G.
25	HOTEL RESTAURANT VARIABLE COST PERCENTAGES	(9,5)	"
26	HOTEL RESTAURANT FIXED COST AMOUNTS	(2,5)	"
27	ADMIN. AND GENERAL VARIABLE COST PERCENTAGES	(4,5)	"
28	ADMIN. AND GENERAL FIXED COST AMOUNTS	(4,5)	"
29	OTHER VARIABLE COST PERCENTAGES	(3,5)	"
30	HOTEL OPERATOR RENTAL RATE, INTEREST RATE, BLDG. DEPRECIATION RATE, FFE RATE	(4)	S.P. & W.G.
31	HOTEL DEBT PRINCIPAL AND MINIMUM FIXED RENT	(2)	W.G.
32	TOTAL NUMBER OF SQUARE FEET OF HOTEL LAND, NO. OF ROOMS,LOGIC SW:OWNER	(3)	S.P.
33	LODGE CAPITAL COSTS: BUILDING AND F.F.E.	(2)	"
34	LODGE ROOM VARIABLE COST PERCENTAGES	(8,5)	W.G.
35	LODGE ROOM FIXED COST AMOUNTS	(5)	"
36	LODGE RESTAURANT VARIABLE COST PERCENTAGES	(9,5)	"
37	LODGE RESTAURANT FIXED COST AMOUNTS	(2,5)	"
38	LODGE ADMIN. AND GENERAL VARIABLE COST PERCENTAGES	(4,5)	"
39	LODGE ADMIN. AND GENERAL FIXED COST AMOUNTS	(4,5)	"
40	LODGE OTHER VARIABLE COST PERCENTAGES	(3,5)	"
41	LODGE OPERATOR RENTAL RATE, INTEREST RATE, BLDG.DEP.RATE, F.F.E. RATE	(4)	S.P. & W.G.
42	LODGE DEBT PRINCIPAL AND MINIMUM FIXED RENT	(2)	W.G.
43	TOTAL NUMBER OF SQUARE FEET OF BUILT-UP LAND, NO. OF ROOMS, LOGIC SWITCH	(3)	S.P.
44	OTHER RESTAURANT/BARS VARIABLE COST PERCENTAGES	(5)	W.G.
45	OTHER RESTAURANT/BARS FIXED COST AMOUNTS	(5)	"
46	FOOD, DRUGS, ETC. VARIABLE COST PERCENTAGES	(5)	"
47	FOOD, DRUGS, ETC. FIXED COST AMOUNTS	(5)	"
48	SERVICE-ORIENTED ENTERPRISES VARIABLE COST PERCENTAGES	(5)	"
49	SERVICE-ORIENTED ENTERPRISES FIXED COST AMOUNTS	(5)	"
50	CLOTHING STORE VARIABLE COST PERCENTAGES	(5)	"
51	CLOTHING STORE FIXED COST AMOUNTS	(5)	"
52	VARIETY STORE VARIABLE COST PERCENTAGES	(5)	"
53	VARIETY STORE FIXED COST AMOUNTS	(5)	"
54	SPORT SHOP AND RENTALS VARIABLE COST PERCENTAGES	(5)	"
55	SPORT SHOP AND RENTALS FIXED COST AMOUNTS	(5)	"
56	PROPERTY MANAGEMENT VARIABLE COST PERCENTAGES	(5)	"
57	PROPERTY MANAGEMENT FIXED COST AMOUNTS	(5)	"
58	PRIVATE RECREATION VARIABLE COST PERCENTAGES	(5)	S.P.
59	PRIVATE RECREATION FIXED COST AMOUNTS	(5)	"
60	CORPORATION-RUN SKIING VARIABLE COST PERCENTAGES	(5)	"
61	CORPORATION-RUN SKIING FIXED COST AMOUNTS	(5)	"
62	CORPORATION OTHER RECREATION VARIABLE COST PERCENTAGES	(5)	"
63	CORPORATION OTHER RECREATION FIXED COST AMOUNTS	(5)	"
64	ENTERPRISE SPACE RENTAL RATE, INTEREST RATE, BLDG.DEP.RATE, F.F.E. RATE	(4)	"
65	SPACE ALLOCATION, DEBT, BUILDING CAPITAL, F.F.E. CAPITAL FOR EA. ENTERPRISE	(10,4)	"
66	GENERAL CORPORATION FIXED COSTS	(2,5)	"
67	VILLAGING OPERATING COSTS	(8,5)	S.P.
68	CORPORATION DEBT INTEREST RATE, ANNUAL DEBT REPAYMENT	(3)	S.P. & W.G.
69	VILLAGE DEBT, INTEREST RATE, ANNUAL DEBT REPAYMENT	(3)	S.P. & W.G.
70	CORPORATION AND INFRASTRUCTURE CAPITAL COST ITEMS	(31)	S.P.
71	INDICES FOR CAPITAL ITEMS (#70) TO BE RECOVERED	(17)	"
72	LOGIC SWITCH: 0= LAND LEASED; 1 = LAND SOLD	(1)	"
3	NUMBER OF YEARS FOR INFRASTRUCTURE RECOVERY, DISCOUNT RATE	(2)	"
4	TOTAL NUMBER OF SQUARE FEET OF SALEABLE OR LEASABLE LAND	(1)	"
5	NUMBER OF UNITS AND LAND PER UNIT FOR 4 TYPES OF CONDOS.	(2,5)	"
6	SQUARE FOOT ALLOCATIONS OF LAND FOR HOTEL, LODGES, ENTERPRISES	(12)	"
7	ANNUAL EDUCATION LEVY, DEVELOPMENT DISTRICT LEVY, NON-TAX REVENUE	(3)	W.G.
8	BUSINESS TAX RATES (% OF ASSESSMENT) FOR CONDOS., HOTEL, ENTERPRISES	(12)	"
9	PRIVATE BEFORE-TAX HURDLE RATE, 0, GOVERNMENT HURDLE RATE	(3)	S.P.
80	LOGIC SWITCH = 0	(1)	W.G.
81	MARGINAL TAX RATE FOR CONDOMINIUM OWNERS	(1)	S.P.
82	DAY VISITORS AND STAFF BY SEASON	(3,2,5)	"
83	DAY VISITOR EXPENDITURES BY CATEGORY BY SEASON	(3,11,5)	"
84	STAFF EXPENDITURES BY CATEGORY BY SEASON	(3,11,5)	"

- Special Projects
- Woods Gordon

* FOR INPUT-OUTPUT REFERENCE SEE EXHIBIT B2

LIST OF OUTPUT VARIABLES

FILE INDEX NO.	DESCRIPTION	SHAPE	*MODULE SOURCE
1	NON-OWNER ACCOMMODATION EXPENDITURES BY SEASON	(3,7,5)	ARM
2	OWNER ACCOMMODATION EXPENDITURES BY SEASON	(3,7,5)	ARM
3	TOTAL ACCOMMODATION EXPENDITURES BY SEASON	(3,7,5)	ARM
4	STUDIO OPERATING COSTS BY SEASON	(3,3,5)	CCM
5	ONE-BEDROOM OPERATING COSTS BY SEASON	(3,3,5)	CCM
6	TWO-BEDROOM OPERATING COSTS BY SEASON	(3,3,5)	CCM
7	THREE-BEDROOM OPERATING COSTS BY SEASON	(3,3,5)	CCM
8	INTEREST COSTS AND DEPRECIATION COSTS FOR EACH CONDOMINIUM	(4,3,5)	CCM
9	OWNER EXPENDITURES BY CATEGORY BY SEASON	(3,10,5)	ORM
10	NON-OWNER EXPENDITURES BY CATEGORY BY SEASON	(3,10,5)	ORM
11	TOTAL EXPENDITURES BY CATEGORY BY SEASON (INCLUDES DAY & STAFF)	(3,10,5)	ORM
12	OTHER REVENUE BY SEASON	(3,20,5)	ORM
13	HOTEL VARIABLE ROOM COSTS BY SEASON	(3,8,5)	HCM
14	HOTEL FIXED ROOM COSTS BY SEASON	(3,1,5)	HCM
15	HOTEL RESTAURANT VARIABLE COSTS BY SEASON	(3,9,5)	HCM
16	HOTEL RESTAURANT FIXED COSTS BY SEASON	(3,2,5)	HCM
17	HOTEL VARIABLE UNALLOCATED OPERATING COSTS BY SEASON (VARY WITH TOTAL)	(3,5,5)	HCM
18	HOTEL VARIABLE UNALLOCATED OPERATING COSTS BY SEASON (VARY WITH ROOM)	(3,2,5)	HCM
19	HOTEL FIXED UNALLOCATED OPERATING COSTS BY SEASON	(3,4,5)	HCM
20	HOTEL RENT AND FINANCIAL EXPENSES BY SEASON	(3,4,5)	HCM
21	LODGE VARIABLE ROOM COSTS BY SEASON	(3,8,5)	LCM
22	LODGE FIXED ROOM COSTS BY SEASON	(3,1,5)	LCM
23	LODGE VARIABLE RESTAURANT COSTS BY SEASON	(3,9,5)	LCM
24	LODGE FIXED RESTAURANT COSTS BY SEASON	(3,2,5)	LCM
25	LODGE VARIABLE UNALLOCATED OPERATING COSTS BY SEASON (VARY WITH TOTAL)	(3,5,5)	LCM
26	LODGE VARIABLE UNALLOCATED OPERATING COSTS BY SEASON (VARY WITH ROOM)	(3,2,5)	LCM
27	LODGE FIXED UNALLOCATED OPERATING COSTS BY SEASON	(3,4,5)	LCM
28	LODGE RENT AND FINANCIAL EXPENSES BY SEASON	(3,4,5)	LCM
29	ENTERPRISE VARIABLE AND FIXED COSTS BY SEASON	(3,20,5)	OECM
30	ENTERPRISE RENT AND FINANCIAL COSTS BY SEASON	(3,40,5)	OECM
31	CORPORATION GENERAL FIXED COSTS BY SEASON	(3,2,5)	CVCM
32	VILLAGE OPERATING COSTS BY SEASON	(8,5)	CVCM
33	CORPORATION DEBT SERVICE CHARGES BY SEASON	(3,1,5)	CVCM
34	VILLAGE DEBT SERVICE CHARGES	(5)	CVCM
35	TOTAL REVENUE REQUIRED BY CORPORATION FROM SALE OR LEASE OF LAND	(1)	CVCM
36	THEORETICAL SALE PRICE AND ANNUAL LEASE RATE PER SQUARE FOOT OF LAND	(2)	CVCM
37	CONDO ASSESSMENTS, MILL RATES, PROPERTY TAXES, BUSINESS TAXES	(5,6,5)	CVCM
38	ENTERPRISE ASSESSMENTS, MILL RATES, PROPERTY TAXES, BUSINESS TAXES	(13,6,5)	CVCM
39	STUDIO CASH FLOW MATRIX	(22,5)	CFA
40	STUDIO ANNUAL GROSS R.O.I. AND EQUITY R.O.I. CALCULATIONS	(10)	CFA
41	STUDIO BEFORE-TAX NET PRESENT VALUE AND INTERNAL RATE OF RETURN	(2)	CFA
42	ONE-BEDROOM CASH FLOW MATRIX	(22,5)	CFA
43	ONE-BEDROOM ANNUAL GROSS R.O.I. AND EQUITY R.O.I. CALCULATIONS	(10)	CFA
44	ONE-BEDROOM BEFORE-TAX NET PRESENT VALUE AND INTERNAL RATE OF RETURN	(2)	CFA
45	TWO-BEDROOM CASH FLOW MATRIX	(22,5)	CFA
46	TWO-BEDROOM ANNUAL GROSS R.O.I. AND EQUITY R.O.I. CALCULATIONS	(10)	CFA
47	TWO-BEDROOM BEFORE-TAX PRESENT VALUE AND INTERNAL RATE OF RETURN	(2)	CFA
48	THREE-BEDROOM CASH FLOW MATRIX	(22,5)	CFA
49	THREE-BEDROOM ANNUAL GROSS R.O.I. AND EQUITY R.O.I. CALCULATIONS	(10)	CFA
50	THREE-BEDROOM BEFORE-TAX NET PRESENT VALUE AND INTERNAL RATE OF RETURN	(2)	CFA
51	TOTAL CONDO CASH FLOW MATRIX	(22,5)	CFA
52	TOTAL CONDO ANNUAL GROSS R.O.I. AND EQUITY R.O.I. CALCULATIONS	(10)	CFA
53	TOTAL CONDO BEFORE-TAX NET PRESENT VALUE AND INTERNAL RATE OF RETURN	(2)	CFA
54	HOTEL CASH FLOW MATRIX	(58,5)	HLFA
55	HOTEL ANNUAL GROSS R.O.I. AND EQUITY R.O.I. CALCULATIONS	(10)	HLFA
56	HOTEL BEFORE-TAX NET PRESENT VALUE AND INTERNAL RATE OF RETURN	(2)	HLFA
57	LODGE CASH FLOW MATRIX	(58,5)	HLFA
58	LODGE ANNUAL GROSS R.O.I. AND EQUITY R.O.I. CALCULATIONS	(10)	HLFA
59	LODGE BEFORE-TAX NET PRESENT VALUE AND INTERNAL RATE OF RETURN	(2)	HLFA
60	OTHER RESTAURANT CASH FLOW MATRIX	(21,5)	ECFA
61	OTHER RESTAURANT GROSS AND EQUITY R.O.I.	(10)	ECFA
62	OTHER RESTAURANT NPV AND IRR	(2)	ECFA
63	FOOD, DRUGS, ETC. CASH FLOW MATRIX	(21,5)	ECFA
64	FOOD, DRUGS, ETC. GROSS AND EQUITY R.O.I.	(10)	ECFA
65	FOOD, DRUGS, ETC. NPV AND IRR	(2)	ECFA
66	SERVICES CASH FLOW MATRIX	(21,5)	ECFA
67	SERVICES GROSS AND EQUITY R.O.I.	(10)	ECFA
68	SERVICES NPV AND IRR	(2)	ECFA
69	CLOTHING CASH FLOW MATRIX	(21,5)	ECFA
70	CLOTHING GROSS AND EQUITY R.O.I.	(10)	ECFA
71	CLOTHING NPV AND IRR	(2)	ECFA
72	VARIETY CASH FLOW MATRIX	(21,5)	ECFA
73	VARIETY GROSS AND EQUITY R.O.I.	(10)	ECFA
74	VARIETY NPV AND IRR	(2)	ECFA
75	SPORTING GOODS CASH FLOW MATRIX	(21,5)	ECFA
76	SPORTING GOODS GROSS AND EQUITY R.O.I.	(10)	ECFA
77	SPORTING GOODS NPV AND IRR	(2)	ECFA
78	PROPERTY MANAGEMENT CASH FLOW MATRIX	(21,5)	ECFA
79	PROPERTY MANAGEMENT GROSS AND EQUITY R.O.I.	(10)	ECFA
80	PROPERTY MANAGEMENT NPV AND IRR	(2)	ECFA
81	PRIVATE RECREATION CASH FLOW MATRIX	(21,5)	ECFA
82	PRIVATE RECREATION GROSS AND EQUITY R.O.I.	(10)	ECFA
83	PRIVATE RECREATION NPV AND IRR	(2)	ECFA
84	CORPORATION CASH FLOW MATRIX	(31,5)	ECFA
85	CORPORATION GROSS AND EQUITY R.O.I.	(10)	ECFA
86	CORPORATION NPV AND IRR	(2)	ECFA
87	VILLAGE BUDGET MATRIX	(21,5)	VBM
88	TOTAL PRIVATE ANNUAL GROSS R.O.I.	(5)	MMTOT
89	TOTAL PRIVATE ANNUAL EQUITY R.O.I.	(5)	MMTOT
90	TOTAL PRIVATE PLUS CORPORATE ANNUAL GROSS R.O.I.	(5)	MMTOT
91	TOTAL PRIVATE PLUS CORPORATE ANNUAL EQUITY R.O.I.	(5)	MMTOT
92	TOTAL PRIVATE GROSS R.O.I.	(5)	MMTOT
93	TOTAL PRIVATE (EX CONDO) R.O.I.	(5)	MMTOT
94	TOTAL PRIVATE (EX CONDO) PLUS CORPORATE R.O.I.	(5)	MMTOT
95	TOTAL PRIVATE PLUS CONDO NPV	(1)	TOTVAL
96	TOTAL PRIVATE (EX CONDO) NPV AND IRR	(2)	TOTVAL
97	TOTAL PRIVATE PLUS CONDO PLUS CORPORATE NPV	(1)	TOTVAL
98	TOTAL PRIVATE (EX CONDO) PLUS CORPORATE NPV	(1)	TOTVAL

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3. All temporary variables used only for manipulation within a module during execution but not written on file were prefixed by the letter T and then numbered sequentially.
4. All output variables which were directed to the output file at the end of execution of a module were prefixed by the letter O.

EXHIBIT C1

ASSUMPTIONS OF DAILY PER CAPITA ACCOMMODATION RATES

	SUMMER	WINTER	"SHOULDER"
NON-OWNER:			
CONDOMINIUMS	$11.05	$11.05	$9.50
HOTEL/LODGE	$13.05	$13.05	$11.50
OWNER (SERVICE CHARGE):			
CONDOMINIUMS	$ .80	$ .80	$ .80
HOTEL/LODGE	NA	NA	NA

SOURCE: SPECIAL PROJECTS DIVISION

APPENDIX C

DETAILED ASSUMPTIONS OF MARKET DATA

The market data was supplied to us by the Special Projects Division of the Ministry of Industry and Tourism. Three major sets of assumptions are incorporated in this information which are:

1. the daily prices per capita of accommodation,
2. the attendance levels in absolute terms and in terms of occupancy levels that can be realized at these prices,
3. and the level and distribution of average daily expenditures that will be made by the forecasted visitors.

It was assumed that for the purpose of the analysis, the operating year could be split into 3 seasons. These seasons were broken out as follows:

	SEASON		NO. OF DAYS
1.	SUMMER		84
2.	WINTER		146
3.	"SHOULDER"		93
	OF WHICH		
	FALL	54	
	SPRING	39	
	TOTAL DAYS IN YEAR		323

It was further assumed that the resort would be closed for six weeks of the year.

Exhibit C1 (opposite) shows the first set of assumptions for daily, per-capita accommodation rates.

Exhibit C2 (over) shows the estimated visitor-day demand for accommodation by season.

EXHIBIT C2

ESTIMATED VISITOR-DAY DEMAND FOR ACCOMMODATION FACILITIES
BY SEASON

	UNITS	CAP. PER UNIT	TOTAL CAPACITY	DAYS IN SEASON	VISITOR-DAYS CAPACITY	OWNER DEMAND	NON-OWNER CAPACITY AVAILABLE	NON-OWNER OCCUPANCY RATE %	NON-OWNER OCCUPANCY	TOTAL OCCUPANCY RATE
1. HOTEL/LODGE										
SUMMER	300	2	600	84	50,400	-	50,400	90	45,360	90
WINTER	300	2	600	146	87,600	-	87,600	80	70,080	80
SHOULDER	300	2	600	93	55,800	-	55,800	43.7	24,390	43.7
SUB-TOTAL			323		193,800		193,800	72.2	139,830	72.2
2. CHALETS										
SUMMER										
STUDIO	25	2	50	84	4,200	292	3,908	85	3,322	86
ONE-BEDROOM	200	3	600	84	50,400	2,332	48,068	85	40,858	85.7
TWO-BEDROOM	200	4	800	84	67,200	2,332	64,868	85	55,138	85.5
THREE-BEDROOM	75	6	450	84	37,800	875	36,925	85	31,386	85.3
SUB-TOTAL (SUMMER)					159,600	5,831	153,769	85	130,704	85.5
WINTER										
STUDIO	25	2	50	146	7,300	348	6,952	55	3,824	57.2
ONE-BEDROOM	200	3	600	146	87,600	2,800	84,800	55	46,640	56.4
TWO-BEDROOM	200	4	800	146	116,800	2,800	114,000	55	62,700	56.1
THREE-BEDROOM	75	6	450	146	65,700	1,049	64,651	55	35,558	55.7
SUB-TOTAL (WINTER)					277,400	6,997	270,403	55	148,722	56.1
SHOULDER										
STUDIO	25	2	50	93	4,650	-	4,650	26.6	1,237	26.6
ONE-BEDROOM	200	3	600	93	55,800	-	55,800	26.6	14,850	26.6
TWO-BEDROOM	200	4	800	93	74,400	-	74,400	26.6	19,800	26.6
THREE-BEDROOM	75	6	450	93	41,850	-	41,850	26.6	11,138	26.6
SUB-TOTAL (SHOULDER)					176,700		176,700	26.6	47,025	26.6
TOTAL CHALETS					613,700	12,828	600,872	54.3	326,451	55.3
GRAND TOTAL (CHALETS & HOTEL)					807,500	12,828	794,672	58.7	466,281	59.3

SOURCE: SPECIAL PROJECTS DIVISION

Exhibit C3 (below) shows the break-out of expenditure patterns by type of visitor, by expenditure category and by season.

In translating the visitor expenditures into revenues for the enterprises, it was necessary to identify enterprise or commercial activities and for these to designate expenditure categories as the source of revenue. Some expenditure categories were found to be shared by more than one commercial activity. It was therefore necessary to assign market shares for each activity for each season. Furthermore, some enterprises consist of more than one commercial activity. Exhibit C4 shows the relationship between expenditure categories, commercial activities, and enterprises.

EXHIBIT C3

ASSUMPTIONS OF PER-CAPITA DAILY EXPENDITURES

	SUMMER		WINTER		SHOULDER	
OWNER DESTINATION VISITORS - TOTAL	$19.95		$23.60		-	
ACCOMMODATION	.80		.80		-	
FOOD (RESTAURANT)	3.00		3.50		-	
BEVERAGES (RESTAURANT)	.95		.95		-	
ENTERTAINMENT	1.05		1.05		-	
RECREATIONAL EQUIPMENT PURCHASES	1.50		2.00		-	
CLOTHES	1.50		2.00		-	
SERVICES	1.75		1.40		-	
RECREATIONAL FEES	5.00		7.35		-	
RENTALS (OTHER THAN ACCOMMODATION)	.25		.35		-	
GROCERIES, L.C.B.O. & BEER PURCHASES	3.25		3.15		-	
MISCELLANEOUS	.90		1.05		-	
NON-OWNER DESTINATION VISITORS - TOTAL	$32.65	($34.65)	$38.00	($40.00)	$27.55	($29.55)
ACCOMMODATION	11.05	(13.05)	11.05	(13.05)	9.50	(11.50)
FOOD (RESTAURANT)	4.00		5.25		5.00	
BEVERAGES (RESTAURANT)	1.40		1.40		1.65	
ENTERTAINMENT	1.05		1.05		1.25	
RECREATIONAL EQUIPMENT PURCHASES	2.00		3.33		1.00	
CLOTHES	2.00		3.32		1.50	
SERVICES	1.75		1.40		1.40	
RECREATIONAL FEES	5.00		7.35		3.00	
RENTALS (OTHER THAN ACCOMMODATION)	.50		.70		.25	
GROCERIES, L.C.B.O. & BEER PURCHASES	3.00		2.10		2.10	
MISCELLANEOUS	.90		1.05		.90	
DAY VISITORS VISITOR-DAYS	30,000		30,000		15,000	
TOTAL DAILY EXPENDITURE PER CAPITA	$6.25		$11.50		$6.25	
ACCOMMODATION	0		0		0	
FOOD (RESTAURANTS)	1.75		2.00		1.75	
BEVERAGES (RESTAURANTS)	.50		.75		.50	
ENTERTAINMENT	.25		.25		.25	
RECREATIONAL EQUIPMENT PURCHASES	.15		.25		.15	
CLOTHES	.50		.50		.50	
SERVICES	.50		.50		.50	
RECREATIONAL FEES	2.00		6.50		2.00	
RENTALS	.10		.25		.10	
GROCERIES, L.C.B.O. & BEER PURCHASES	.25		.25		.25	
MISCELLANEOUS	.25		.25		.25	
STAFF STAFF DAYS	58,800		102,200		65,100	
TOTAL DAILY EXPENDITURE PER CAPITA	$2.00		$2.00		$2.00	
ACCOMMODATION	(A S S U M E C O M M U T E R S)					
FOOD (RESTAURANTS)	1.00		1.00		1.00	
BEVERAGES (RESTAURANTS)	.20		.20		.20	
ENTERTAINMENT	.10		.10		.10	
RECREATIONAL EQUIPMENT PURCHASES	.10		.10		.10	
CLOTHES	.10		.10		.10	
SERVICES	.10		.10		.10	
RECREATIONAL	.20		.20		.20	
RENTALS	-		-		-	
GROCERIES, L.C.B.O. & BEER PURCHASES	.10		.10		.10	
MISCELLANEOUS	.10		.10		.10	

SOURCE: SPECIAL PROJECTS DIVISION

EXHIBIT C4
DERIVATION OF ENTERPRISE REVENUES

	Enterprises	Activities
1.	Hotel/Lodge	1,2,3,4,5
2.	Other Restaurants/ Bars	6,7
3.	Food, Drugs, Etc.	8
4.	Service Enterprises	9
5.	Clothing Stores	10
6.	Variety Stores	11
7.	Sports Shop and Rentals	12,13
8.	Property Management	14,15
9.	Private Recreation	16
10.	Corporation Skiing	18
11.	Corporation Other Rec.	17,19
12.	Corporation Other Income	20

	List of Activities	Expend. Cat.	Market Shares Summer	Winter	Shoulder
1.	Hotel Food	1	45%	45%	45%
2.	Hotel Liquor	2,3	45	45	45
3.	Hotel Other Income (Phones)	External	100	100	100
4.	Lodge Food	1	0	0	0
5.	Lodge Liquor	2,3	0	0	0
6.	Other Restaurant Food	1	55	55	55
7.	Other Restaurant Liquor	2,3	55	55	55
8.	Food, Drugs, Etc.	9	100	100	100
9.	Service Activities	6	94	94	94
10.	Clothing Sales	5	100	100	100
11.	Variety Sales	10	100	100	100
12.	Sport Shop Sales	4	100	100	100
13.	Sport Shop Rentals	8	50	50	50
14.	Property Management (Condos)	External	100	100	100
15.	Property Management (Space)	External	83.03	83.03	83.03
16.	Private Rec. (Rec. Fees)	7	5	20	15
17.	Other Corp. Rec. (Rentals)	8	50	50	50
18.	Corporation Skiing	7	85	5	10
19.	Corporation Other Rec. (Rec. Fees)	7	10	75	75
20.	Corporation other Income	External, 6	16.97, 6	16.97, 6	16.97, 6

	List of Expenditures
1.	Food (Restaurant)
2.	Beverages (Restaurant)
3.	Entertainment
4.	Recreational Equipment Purchases
5.	Clothes
6.	Services
7.	Recreational Fees
8.	Rentals (Other Than Accommodation)
9.	Groceries, L.C.B.O. and Beer Purchases
10.	Miscellaneous

Source: Special Projects Division and Woods, Gordon and Company

Notes: 1. Lodges were assumed to have a market share of zero since they were already incorporated into the hotel estimates.

2. It was assumed that entertainment revenues would accrue to establishments serving food and beverages.

APPENDIX D

CONDOMINIUMS

In analyzing the condominiums, it was assumed that all condominium owners would be private individuals. Therefore the tax treatment of income from condominium rental by the owner was different from the tax treatment of other types of business. Since the analysis of return on gross investment on a before tax basis does not depend on tax assumptions, this made no difference in the net present value and internal rate of return. However, the calculations of return on equity were affected by the tax assumption. While, in actual fact, the return on equity should have been negative in all cases, the results only showed a zero return for the one, two, and three-bedroom condominiums. This was because it was assumed that the owner could not use capital consumption allowance to incur a deficit on his operation of renting his condominium for the purpose of applying this against other income.

It was also assumed that condominium owners would be required to pay business taxes in addition to property taxes. This assumption was made because of the pooling arrangement that was additionally assumed whereby all condominiums would be rented out to visitors when not being used by owners. Even if this assumption of the payment of business tax were to be relaxed, this would not affect the total tax burden to the condominium owner since the overall burden was first calculated on the basis of the amounts needed to cover village costs, total tax burdens to various enterprises were then assigned and these burdens were then distributed between property tax and business tax.

In the derivation of condominium profits (losses), it was assumed that a rental management fee of 15 per cent of gross room rentals would be charged, cleaning and linen were assumed to cost another 15 per cent of

gross rentals and repairs were assumed to be 5 per cent.

Common expenses which include insurance costs were assumed to be 50¢ per square foot as were property expenses which include utilities and heating.

Exhibits D1 through D8 show detailed cash flows for each of the four types of condominium - for total units of each type as well as for a single unit. Exhibit D9 summarizes the detailed cash flow for total condominiums.

EXHIBIT D1

STUDIO CONDOMINIUM CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE FROM ROOM SALES	90714.80	90714.80	90714.80	90714.80	90714.80
RENTAL MANAGEMENT FEE	13607.22	13607.22	13607.22	13607.22	13607.22
CLEANING AND LINEN SERVICE	13607.22	13607.22	13607.22	13607.22	13607.22
REPAIRS OF DAMAGE	4535.74	4535.74	4535.74	4535.74	4535.74
COMMON EXPENSES	5625.00	5625.00	5625.00	5625.00	5625.00
INSURANCE	0.00	0.00	0.00	0.00	0.00
UTILITIES AND HEATING	0.00	0.00	0.00	0.00	0.00
PROPERTY EXPENSES	5625.00	5625.00	5625.00	5625.00	5625.00
LAND LEASE COST	8540.81	8540.81	8540.81	8540.81	8540.81
PROPERTY TAX	6892.37	6849.35	6806.33	6763.31	6720.29
BUSINESS TAX	2067.71	2054.81	2041.90	2029.00	2016.09
NET OPERATING PROFIT	30213.73	30269.65	30325.58	30381.50	30437.42
INTEREST EXPENSE	32890.00	32890.00	32890.00	32890.00	32890.00
NET PROFIT AFTER INTEREST EXPENSE	-2676.27	-2620.35	-2564.42	-2508.50	-2452.58
CAPITAL CONSUMPTION ALLOWANCE	0.00	0.00	0.00	0.00	0.00
BEFORE-TAX INCOME	-2676.27	-2620.35	-2564.42	-2508.50	-2452.58
INCOME TAX	0.00	0.00	0.00	0.00	0.00
AFTER-TAX INCOME	-2676.27	-2620.35	-2564.42	-2508.50	-2452.58
DISCOUNTED BEFORE-TAX CASH FLOW	25178.11	21020.59	17549.52	14651.57	12232.12
ROI GROSS	6.48	6.49	6.51	6.52	6.53
ROI EQUITY	-2.87	-2.81	-2.75	-2.69	-2.63

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: -240404.7182 0.01044

EXHIBIT D2

STUDIO CONDOMINIUM CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE FROM ROOM SALES	3628.59	3628.59	3628.59	3628.59	3628.59
RENTAL MANAGEMENT FEE	544.29	544.29	544.29	544.29	544.29
CLEANING AND LINEN SERVICE	544.29	544.29	544.29	544.29	544.29
REPAIRS OF DAMAGE	181.43	181.43	181.43	181.43	181.43
COMMON EXPENSES	225.00	225.00	225.00	225.00	225.00
INSURANCE	0.00	0.00	0.00	0.00	0.00
UTILITIES AND HEATING	0.00	0.00	0.00	0.00	0.00
PROPERTY EXPENSES	225.00	225.00	225.00	225.00	225.00
LAND LEASE COST	341.63	341.63	341.63	341.63	341.63
PROPERTY TAX	275.69	273.97	272.25	270.53	268.81
BUSINESS TAX	82.71	82.19	81.68	81.16	80.64
NET OPERATING PROFIT	1208.55	1210.79	1213.02	1215.26	1217.50
INTEREST EXPENSE	1315.60	1315.60	1315.60	1315.60	1315.60
NET PROFIT AFTER INTEREST EXPENSE	-107.05	-104.81	-102.58	-100.34	-98.10
CAPITAL CONSUMPTION ALLOWANCE	0.00	0.00	0.00	0.00	0.00
BEFORE-TAX INCOME	-107.05	-104.81	-102.58	-100.34	-98.10
INCOME TAX	0.00	0.00	0.00	0.00	0.00
AFTER-TAX INCOME	-107.05	-104.81	-102.58	-100.34	-98.10
DISCOUNTED BEFORE-TAX CASH FLOW	1007.12	840.82	701.98	586.06	489.28
ROI GROSS	6.48	6.49	6.51	6.52	6.53
ROI EQUITY	-2.87	-2.81	-2.75	-2.69	-2.63

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: -9616.188728 0.01044

EXHIBIT D3

ONE-BEDROOM CONDOMINIUM CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE FROM ROOM SALES	1107927.90	1107927.90	1107927.90	1107927.90	1107927.90
RENTAL MANAGEMENT FEE	166189.19	166189.19	166189.19	166189.19	166189.19
CLEANING AND LINEN SERVICE	166189.19	166189.19	166189.19	166189.19	166189.19
REPAIRS OF DAMAGE	55396.40	55396.40	55396.40	55396.40	55396.40
COMMON EXPENSES	72498.00	72498.00	72498.00	72498.00	72498.00
INSURANCE	0.00	0.00	0.00	0.00	0.00
UTILITIES AND HEATING	0.00	0.00	0.00	0.00	0.00
PROPERTY EXPENSES	72498.00	72498.00	72498.00	72498.00	72498.00
LAND LEASE COST	90066.73	90066.73	90066.73	90066.73	90066.73
PROPERTY TAX	72683.16	72229.51	71775.86	71322.21	70868.56
BUSINESS TAX	21804.97	21668.87	21532.78	21396.68	21260.59
NET OPERATING PROFIT	390602.28	391192.02	391781.77	392371.51	392961.26
INTEREST EXPENSE	346840.00	346840.00	346840.00	346840.00	346840.00
NET PROFIT AFTER INTEREST EXPENSE	43762.28	44352.02	44941.77	45531.51	46121.26
CAPITAL CONSUMPTION ALLOWANCE	43762.28	44352.02	44941.77	45531.51	46121.26
BEFORE-TAX INCOME	0.00	0.00	0.00	0.00	0.00
INCOME TAX	0.00	0.00	0.00	0.00	0.00
AFTER-TAX INCOME	0.00	0.00	0.00	0.00	0.00
DISCOUNTED BEFORE-TAX CASH FLOW	325501.90	271661.13	226725.56	189222.37	157922.32
ROI GROSS	7.06	7.06	7.06	7.06	7.06
ROI EQUITY	0.00	0.00	0.00	0.00	0.00

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: -2319898.475 0.02684

EXHIBIT D4

ONE-BEDROOM CONDOMINIUM CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE FROM ROOM SALES	5539.64	5539.64	5539.64	5539.64	5539.64
RENTAL MANAGEMENT FEE	830.95	830.95	830.95	830.95	830.95
CLEANING AND LINEN SERVICE	830.95	830.95	830.95	830.95	830.95
REPAIRS OF DAMAGE	276.98	276.98	276.98	276.98	276.98
COMMON EXPENSES	362.49	362.49	362.49	362.49	362.49
INSURANCE	0.00	0.00	0.00	0.00	0.00
UTILITIES AND HEATING	0.00	0.00	0.00	0.00	0.00
PROPERTY EXPENSES	362.49	362.49	362.49	362.49	362.49
LAND LEASE COST	450.33	450.33	450.33	450.33	450.33
PROPERTY TAX	363.42	361.15	358.88	356.61	354.34
BUSINESS TAX	109.02	108.34	107.66	106.98	106.30
NET OPERATING PROFIT	1953.01	1955.96	1958.91	1961.86	1964.81
INTEREST EXPENSE	1734.20	1734.20	1734.20	1734.20	1734.20
NET PROFIT AFTER INTEREST EXPENSE	218.81	221.76	224.71	227.66	230.61
CAPITAL CONSUMPTION ALLOWANCE	218.81	221.76	224.71	227.66	230.61
BEFORE-TAX INCOME	0.00	0.00	0.00	0.00	0.00
INCOME TAX	0.00	0.00	0.00	0.00	0.00
AFTER-TAX INCOME	0.00	0.00	0.00	0.00	0.00
DISCOUNTED BEFORE-TAX CASH FLOW	1627.51	1358.31	1133.63	946.11	789.61
ROI GROSS	7.06	7.06	7.06	7.06	7.06
ROI EQUITY	0.00	0.00	0.00	0.00	0.00

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: -11599.49238 0.02684

EXHIBIT D5

TWO-BEDROOM CONDOMINIUM CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE FROM ROOM SALES	1490209.90	1490209.90	1490209.90	1490209.90	1490209.90
RENTAL MANAGEMENT FEE	223531.49	223531.49	223531.49	223531.49	223531.49
CLEANING AND LINEN SERVICE	223531.49	223531.49	223531.49	223531.49	223531.49
REPAIRS OF DAMAGE	74510.50	74510.50	74510.50	74510.50	74510.50
COMMON EXPENSES	100002.00	100002.00	100002.00	100002.00	100002.00
INSURANCE	0.00	0.00	0.00	0.00	0.00
UTILITIES AND HEATING	0.00	0.00	0.00	0.00	0.00
PROPERTY EXPENSES	100002.00	100002.00	100002.00	100002.00	100002.00
LAND LEASE COST	124229.97	124229.97	124229.97	124229.97	124229.97
PROPERTY TAX	100252.63	99626.91	99001.18	98375.46	97749.74
BUSINESS TAX	30075.82	29888.10	29700.38	29512.67	29324.95
NET OPERATING PROFIT	514074.01	514887.46	515700.90	516514.34	517327.78
INTEREST EXPENSE	478400.00	478400.00	478400.00	478400.00	478400.00
NET PROFIT AFTER INTEREST EXPENSE	35674.01	36487.46	37300.90	38114.34	38927.78
CAPITAL CONSUMPTION ALLOWANCE	35674.01	36487.46	37300.90	38114.34	38927.78
BEFORE-TAX INCOME	0.00	0.00	0.00	0.00	0.00
INCOME TAX	0.00	0.00	0.00	0.00	0.00
AFTER-TAX INCOME	0.00	0.00	0.00	0.00	0.00
DISCOUNTED BEFORE-TAX CASH FLOW	428395.01	357560.73	298438.02	249090.63	207902.43
ROI GROSS	7.06	7.06	7.06	7.06	7.06
ROI EQUITY	0.00	0.00	0.00	0.00	0.00

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: -3273691.454 0.02277

EXHIBIT D6

TWO-BEDROOM CONDOMINIUM CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE FROM ROOM SALES	7451.05	7451.05	7451.05	7451.05	7451.05
RENTAL MANAGEMENT FEE	1117.66	1117.66	1117.66	1117.66	1117.66
CLEANING AND LINEN SERVICE	1117.66	1117.66	1117.66	1117.66	1117.66
REPAIRS OF DAMAGE	372.55	372.55	372.55	372.55	372.55
COMMON EXPENSES	500.01	500.01	500.01	500.01	500.01
INSURANCE	0.00	0.00	0.00	0.00	0.00
UTILITIES AND HEATING	0.00	0.00	0.00	0.00	0.00
PROPERTY EXPENSES	500.01	500.01	500.01	500.01	500.01
LAND LEASE COST	621.15	621.15	621.15	621.15	621.15
PROPERTY TAX	501.26	498.13	495.01	491.88	488.75
BUSINESS TAX	150.38	149.44	148.50	147.56	146.62
NET OPERATING PROFIT	2570.37	2574.44	2578.50	2582.57	2586.64
INTEREST EXPENSE	2392.00	2392.00	2392.00	2392.00	2392.00
NET PROFIT AFTER INTEREST EXPENSE	178.37	182.44	186.50	190.57	194.64
CAPITAL CONSUMPTION ALLOWANCE	178.37	182.44	186.50	190.57	194.64
BEFORE-TAX INCOME	0.00	0.00	0.00	0.00	0.00
INCOME TAX	0.00	0.00	0.00	0.00	0.00
AFTER-TAX INCOME	0.00	0.00	0.00	0.00	0.00
DISCOUNTED BEFORE-TAX CASH FLOW	2141.98	1787.80	1492.19	1245.45	1039.51
ROI GROSS	7.06	7.06	7.06	7.06	7.06
ROI EQUITY	0.00	0.00	0.00	0.00	0.00

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: -16368.45727 0.02277

EXHIBIT D7

THREE BED-ROOM CONDOMINIUM CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE FROM ROOM SALES	845542.20	845542.20	845542.20	845542.20	845542.20
RENTAL MANAGEMENT FEE	126831.33	126831.33	126831.33	126831.33	126831.33
CLEANING AND LINEN SERVICE	126831.33	126831.33	126831.33	126831.33	126831.33
REPAIRS OF DAMAGE	42277.11	42277.11	42277.11	42277.11	42277.11
COMMON EXPENSES	48750.75	48750.75	48750.75	48750.75	48750.75
INSURANCE	0.00	0.00	0.00	0.00	0.00
UTILITIES AND HEATING	0.00	0.00	0.00	0.00	0.00
PROPERTY EXPENSES	48750.75	48750.75	48750.75	48750.75	48750.75
LAND LEASE COST	60562.11	60562.11	60562.11	60562.11	60562.11
PROPERTY TAX	48873.16	48568.12	48263.08	47958.04	47653.00
BUSINESS TAX	14661.96	14570.45	14478.94	14387.43	14295.91
NET OPERATING PROFIT	328003.70	328400.25	328796.80	329193.36	329589.91
INTEREST EXPENSE	233220.00	233220.00	233220.00	233220.00	233220.00
NET PROFIT AFTER INTEREST EXPENSE	94783.70	95180.25	95576.80	95973.36	96369.91
CAPITAL CONSUMPTION ALLOWANCE	94783.70	95180.25	95576.80	95973.36	96369.91
BEFORE-TAX INCOME	0.00	0.00	0.00	0.00	0.00
INCOME TAX	0.00	0.00	0.00	0.00	0.00
AFTER-TAX INCOME	0.00	0.00	0.00	0.00	0.00
DISCOUNTED BEFORE-TAX CASH FLOW	273336.42	228055.73	190275.93	158754.51	132454.79
ROI GROSS	7.06	7.06	7.06	7.06	7.06
ROI EQUITY	0.00	0.00	0.00	0.00	0.00

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: -1364473.281 0.04889

EXHIBIT D8

THREE BED-ROOM CONDOMINIUM CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE FROM ROOM SALES	11273.90	11273.90	11273.90	11273.90	11273.90
RENTAL MANAGEMENT FEE	1691.08	1691.08	1691.08	1691.08	1691.08
CLEANING AND LINEN SERVICE	1691.08	1691.08	1691.08	1691.08	1691.08
REPAIRS OF DAMAGE	563.69	563.69	563.69	563.69	563.69
COMMON EXPENSES	650.01	650.01	650.01	650.01	650.01
INSURANCE	0.00	0.00	0.00	0.00	0.00
UTILITIES AND HEATING	0.00	0.00	0.00	0.00	0.00
PROPERTY EXPENSES	650.01	650.01	650.01	650.01	650.01
LAND LEASE COST	807.49	807.49	807.49	807.49	807.49
PROPERTY TAX	651.64	647.57	643.51	639.44	635.37
BUSINESS TAX	195.49	194.27	193.05	191.83	190.61
NET OPERATING PROFIT	4373.38	4378.67	4383.96	4389.24	4394.53
INTEREST EXPENSE	3109.60	3109.60	3109.60	3109.60	3109.60
NET PROFIT AFTER INTEREST EXPENSE	1263.78	1269.07	1274.36	1279.64	1284.93
CAPITAL CONSUMPTION ALLOWANCE	1263.78	1269.07	1274.36	1279.64	1284.93
BEFORE-TAX INCOME	0.00	0.00	0.00	0.00	0.00
INCOME TAX	0.00	0.00	0.00	0.00	0.00
AFTER-TAX INCOME	0.00	0.00	0.00	0.00	0.00
DISCOUNTED BEFORE-TAX CASH FLOW	3644.49	3040.74	2537.01	2116.73	1766.06
ROI GROSS	7.06	7.06	7.06	7.06	7.06
ROI EQUITY	0.00	0.00	0.00	0.00	0.00

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: -18192.97708 0.04889

EXHIBIT D9

TOTAL CONDOMINIUM CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE FROM ROOM SALES	3534394.80	3534394.80	3534394.80	3534394.80	3534394.80
RENTAL MANAGEMENT FEE	530159.22	530159.22	530159.22	530159.22	530159.22
CLEANING AND LINEN SERVICE	530159.22	530159.22	530159.22	530159.22	530159.22
REPAIRS OF DAMAGE	176719.74	176719.74	176719.74	176719.74	176719.74
COMMON EXPENSES	226875.75	226875.75	226875.75	226875.75	226875.75
INSURANCE	0.00	0.00	0.00	0.00	0.00
UTILITIES AND HEATING	0.00	0.00	0.00	0.00	0.00
PROPERTY EXPENSES	226875.75	226875.75	226875.75	226875.75	226875.75
LAND LEASE COST	283399.62	283399.62	283399.62	283399.62	283399.62
PROPERTY TAX	228701.31	227273.88	225846.45	224419.02	222991.59
BUSINESS TAX	68610.46	68182.23	67754.00	67325.77	66897.54
NET OPERATING PROFIT	1262893.72	1264749.39	1266605.05	1268460.71	1270316.37
INTEREST EXPENSE	1091350.00	1091350.00	1091350.00	1091350.00	1091350.00
NET PROFIT AFTER INTEREST EXPENSE	171543.72	173399.39	175255.05	177110.71	178966.37
CAPITAL CONSUMPTION ALLOWANCE	171543.72	173399.39	175255.05	177110.71	178966.37
BEFORE-TAX INCOME	0.00	0.00	0.00	0.00	0.00
INCOME TAX	0.00	0.00	0.00	0.00	0.00
AFTER-TAX INCOME	0.00	0.00	0.00	0.00	0.00
DISCOUNTED BEFORE-TAX CASH FLOW	1052411.44	878298.18	732989.03	611719.09	510511.66
ROI GROSS	7.06	7.06	7.06	7.06	7.06
ROI EQUITY	0.00	0.00	0.00	0.00	0.00

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: -7198467.929 0.02929

APPENDIX E

HOTEL/LODGE

Total hotel and lodge activities were assumed to be amenable to analysis as a single enterprise. Thus, the cost structures of the two, in terms of variable costs, were assumed to be similar.

Woods, Gordon developed the estimates of operating costs. A number of assumptions were made in conducting this portion of the analysis:

1. For most variable cost items that were considered to involve the transportation of materials, variable cost percentages were selected that took the likely costs of transportation into account.
2. Since all room revenues were assumed to be net of discounts to tour operators, no such charges were included in the cash flow analysis.
3. Hotel/lodge restaurant revenues were assumed to comprise 45 per cent of the realizable market at Maple Mountain.
4. The hotel owner was assumed to operate his own hotel, thus no rental charges were applied.
5. The hotel/lodge was assumed to maintain a reasonably stable debt/equity ratio to reflect the turning over of debt.

Exhibit E1 presents the detailed cash flow analysis for the hotel/lodge operation.

EXHIBIT E1

HOTEL (LODGE) CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
GROSS REVENUE FROM ROOM SALES	1786977.00	1786977.00	1786977.00	1786977.00	1786977.00
PAYROLL COSTS	428874.48	428874.48	428874.48	428874.48	428874.48
PAYROLL TAXES AND BENEFITS	53609.31	53609.31	53609.31	53609.31	53609.31
HOUSE LAUNDRY	53609.31	53609.31	53609.31	53609.31	53609.31
OUTSIDE LAUNDRY	71479.08	71479.08	71479.08	71479.08	71479.08
LINEN	17869.77	17869.77	17869.77	17869.77	17869.77
GUEST SUPPLIES	5360.93	5360.93	5360.93	5360.93	5360.93
ALL OTHER CLEANING AND EXPENSES	8934.88	8934.88	8934.88	8934.88	8934.88
ALL OTHER EXPENSES	53609.31	53609.31	53609.31	53609.31	53609.31
CONTRACT CLEANING	15000.00	15000.00	15000.00	15000.00	15000.00
TOTAL ROOM COSTS	708347.08	708347.08	708347.08	708347.08	708347.08
GROSS ROOM PROFITS	1078629.92	1078629.92	1078629.92	1078629.92	1078629.92
GROSS REVENUE FROM RESTAURANT SALES	1776885.84	1776885.84	1776885.84	1776885.84	1776885.84
FOOD COSTS	461990.32	461990.32	461990.32	461990.32	461990.32
BEVERAGE COSTS	159919.73	159919.73	159919.73	159919.73	159919.73
PAYROLL COSTS	568603.47	568603.47	568603.47	568603.47	568603.47
PAYROLL TAXES AND BENEFITS	63967.89	63967.89	63967.89	63967.89	63967.89
LAUNDRY (OUTSIDE)	35537.72	35537.72	35537.72	35537.72	35537.72
CHINA,GLASS,SILVER,LINEN	26653.29	26653.29	26653.29	26653.29	26653.29
ALL CLEANING EXPENSES	17768.86	17768.86	17768.86	17768.86	17768.86
MENUS,PRINTING,STATIONERY	8884.43	8884.43	8884.43	8884.43	8884.43
ALL OTHER EXPENSES	39091.49	39091.49	39091.49	39091.49	39091.49
MUSIC AND ENTERTAINMENT	40000.00	40000.00	40000.00	40000.00	40000.00
KITCHEN FUEL	8000.00	8000.00	8000.00	8000.00	8000.00
TOTAL RESTAURANT COSTS	1430417.18	1430417.18	1430417.18	1430417.18	1430417.18
GROSS PROFIT FROM RESTAURANT SALES	346468.66	346468.66	346468.66	346468.66	346468.66
OTHER DEPARTMENTAL PROFIT	-12000.00	-12000.00	-12000.00	-12000.00	-12000.00
TOTAL GROSS DEPARTMENTAL PROFIT	1413098.58	1413098.58	1413098.58	1413098.58	1413098.58
COMMISSIONS TO TRAVEL AGENTS	0.00	0.00	0.00	0.00	0.00
CREDIT CARD EXPENSES	28414.90	28414.90	28414.90	28414.90	28414.90
BAD DEBT PROVISION	17759.31	17759.31	17759.31	17759.31	17759.31
MISCELLANEOUS EXPENSES	53277.94	53277.94	53277.94	53277.94	53277.94
ADVERTISING AND PROMOTION	67681.90	67681.90	67681.90	67681.90	67681.90
HEAT,LIGHT,AND POWER	160827.93	160827.93	160827.93	160827.93	160827.93
REPAIRS AND MAINTENANCE	157253.98	157253.98	157253.98	157253.98	157253.98
ADMINISTRATION PAYROLL	80000.00	80000.00	80000.00	80000.00	80000.00
ADMIN PAYROLL TAXES AND BENEFITS	8000.00	8000.00	8000.00	8000.00	8000.00
GENERAL INSURANCE	10000.00	10000.00	10000.00	10000.00	10000.00
MANAGEMENT FEE	45000.00	45000.00	45000.00	45000.00	45000.00
TOTAL UNALLOCATED OPERATING COSTS	628215.96	628215.96	628215.96	628215.96	628215.96
NET OPERATING PROFIT BEFORE MUNICIPAL TAX	784882.62	784882.62	784882.62	784882.62	784882.62
PROPERTY TAX	71683.99	71247.47	70810.96	70374.44	69937.92
BUSINESS TAX	21505.22	21374.26	21243.31	21112.35	20981.40
NET OPERATING PROFIT	691693.41	692260.88	692828.36	693395.83	693963.31
LAND LEASE COST	65907.79	65907.79	65907.79	65907.79	65907.79
NET OPERATING PROFIT AFTER LEASE	625785.61	626353.09	626920.56	627488.04	628055.52
INTEREST EXPENSE	233585.00	233585.00	233585.00	233585.00	233585.00
CAPITAL CONSUMPTION ALLOWANCE	373520.10	332017.01	297154.48	267687.42	242615.58
BEFORE-TAX INCOME	18680.51	60751.08	96181.08	126215.62	151854.94
PREVIOUS LOSS CARRY-FORWARD	0.00	0.00	0.00	0.00	0.00
TAXABLE INCOME	18680.51	60751.08	96181.08	126215.62	151854.94
INCOME TAXES (50 PER CENT)	9340.26	30375.54	48090.54	63107.81	75927.47
AFTER-TAX INCOME	9340.26	30375.54	48090.54	63107.81	75927.47
DISCOUNTED BEFORE-TAX CASH FLOW	521488.01	434967.42	362801.25	302608.04	252401.43
ROI GROSS	4.86	5.67	6.36	6.94	7.43
ROI EQUITY	0.80	2.60	4.12	5.41	6.50

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: -1836647.967 0.07013

APPENDIX F

PRIVATE ENTERPRISES

The private enterprises were studied under eight separate headings. Listed below are those enterprise headings together with the components of which each was assumed to be comprised:

OTHER RESTAURANTS AND BARS:	1. Other restaurants and bars
	2. Cafeteria
	3. Look-out Cafeteria
	4. Theatre (1)
FOOD, DRUGS, ETC.:	1. Food and drug store
	2. Liquor and beer store
	3. Bakery
	4. Delicatessen
SERVICES:	1. Bank
	2. Post Office
	3. Barber Shop and Beauty Salon
	4. Cleaner
	5. Laundry/Laundromat
CLOTHING:	1. Men's Wear
	2. Ladies' Wear
VARIETY:	1. Cards and gifts
	2. Camera
	3. Tobacco
	4. China and glassware
	5. Music and records
SPORTING GOODS AND RENTALS:	1. Sport shops and rentals
	2. Sporting goods and ski shops
PROPERTY MANAGEMENT (2):	1. Combined developer, property manager and commercial landlord.
PRIVATE RECREATION:	1. Snowmobiles
	2. Tour boats
	3. Tour buses
	4. Boat rentals
	5. Outfitting
	6. Plane rides

Exhibits F1 through F8 present the detailed cash flow analysis for each of these. Exhibit F9 presents a breakdown of operating costs for the Private Recreational enterprise.

(1) It was necessary to include the theatre with OTHER RESTAURANTS AND BARS since this category was the one to which entertainment revenues would accrue. Since the theatre also is entertainment the decision was made to include it in this category.

(2) It was assumed that the property manager would also be the developer to whom the profit from selling condominiums would accrue.

EXHIBIT F1

OTHER RESTAURANTS CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE	2171749.36	2171749.36	2171749.36	2171749.36	2171749.36
VARIABLE COSTS	1824269.46	1824269.46	1824269.46	1824269.46	1824269.46
FIXED OPERATING COSTS	14729.27	14729.27	14729.27	14729.27	14729.27
NET OPERATING PROFIT BEFORE MUNIC. TAX	332750.63	332750.63	332750.63	332750.63	332750.63
PROPERTY TAX	2948.72	2930.76	2912.80	2894.85	2876.89
BUSINESS TAX	884.62	879.23	873.84	868.46	863.07
NET OPERATING PROFIT BEFORE RENT	328917.30	328940.64	328963.98	328987.32	329010.67
RENT	169800.00	169800.00	169800.00	169800.00	169800.00
LAND LEASE COSTS	17595.96	17595.96	17595.96	17595.96	17595.96
NET OPERATING PROFIT	141521.33	141544.68	141568.02	141591.36	141614.71
INTEREST EXPENSES	0.00	0.00	0.00	0.00	0.00
CAPITAL CONSUMPTION ALLOWANCE (BLDGS)	0.00	0.00	0.00	0.00	0.00
CAPITAL CONSUMPTION ALLOWANCE (FFE)	135086.40	108069.12	86455.30	69164.24	55331.39
BEFORE-TAX INCOME	6434.93	33475.56	55112.72	72427.13	86283.32
PROVISION FOR LOSS CARRY-FORWARD	0.00	0.00	0.00	0.00	0.00
TAXABLE INCOME	6434.93	33475.56	55112.72	72427.13	86283.32
INCOME TAXES (50 PER CENT)	3217.47	16737.78	27556.36	36213.56	43141.66
AFTER-TAX INCOME	3217.47	16737.78	27556.36	36213.56	43141.66
DISCOUNTED BEFORE-TAX CASH FLOW	117934.45	98294.91	81925.94	68282.87	56911.77
ROI GROSS	0.95	4.96	8.16	10.72	12.77
ROI EQUITY	0.95	4.96	8.16	10.72	12.77

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: -163136.2774 0.09931

EXHIBIT F2

FOOD,DRUG,ETC. CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE	1219999.00	1219999.00	1219999.00	1219999.00	1219999.00
VARIABLE COSTS	1049199.14	1049199.14	1049199.14	1049199.14	1049199.14
FIXED OPERATING COSTS	26111.68	26111.68	26111.68	26111.68	26111.68
NET OPERATING PROFIT BEFORE MUNIC. TAX	144688.18	144688.18	144688.18	144688.18	144688.18
PROPERTY TAX	2969.56	2951.47	2933.39	2915.31	2897.22
BUSINESS TAX	890.87	885.44	880.02	874.59	869.17
NET OPERATING PROFIT BEFORE RENT	140827.76	140851.27	140874.78	140898.29	140921.79
RENT	171000.00	171000.00	171000.00	171000.00	171000.00
LAND LEASE COSTS	17720.31	17720.31	17720.31	17720.31	17720.31
NET OPERATING PROFIT	-47892.55	-47869.04	-47845.54	-47822.03	-47798.52
INTEREST EXPENSES	0.00	0.00	0.00	0.00	0.00
CAPITAL CONSUMPTION ALLOWANCE (BLDGS)	0.00	0.00	0.00	0.00	0.00
CAPITAL CONSUMPTION ALLOWANCE (FFE)	35647.80	28518.24	22814.59	18251.67	14601.34
BEFORE-TAX INCOME	-83540.35	-76387.28	-70660.13	-66073.70	-62399.86
PROVISION FOR LOSS CARRY-FORWARD	0.00	83540.35	159927.64	230587.76	296661.47
TAXABLE INCOME	-83540.35	-159927.64	-230587.76	-296661.47	-359061.32
INCOME TAXES (50 PER CENT)	0.00	0.00	0.00	0.00	0.00
AFTER-TAX INCOME	-83540.35	-159927.64	-230587.76	-296661.47	-359061.32
DISCOUNTED BEFORE-TAX CASH FLOW	-39910.46	-33242.39	-27688.39	-23062.32	-19209.15
ROI GROSS	-46.87	-42.86	-39.64	-37.07	-35.01
ROI EQUITY	-46.87	-42.86	-39.64	-37.07	-35.01

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: -297879.9118 0

EXHIBIT F3

SERVICE ENTERPRISES CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE	794525.85	794525.85	794525.85	794525.85	794525.85
VARIABLE COSTS	651511.20	651511.20	651511.20	651511.20	651511.20
FIXED OPERATING COSTS	11729.27	11729.27	11729.27	11729.27	11729.27
NET OPERATING PROFIT BEFORE MUNIC. TAX	131285.38	131285.38	131285.38	131285.38	131285.38
PROPERTY TAX	2644.78	2628.67	2612.57	2596.46	2580.36
BUSINESS TAX	793.43	788.60	783.77	778.94	774.11
NET OPERATING PROFIT BEFORE RENT	127847.17	127868.11	127889.04	127909.98	127930.92
RENT	69000.00	69000.00	69000.00	69000.00	69000.00
LAND LEASE COSTS	7150.30	7150.30	7150.30	7150.30	7150.30
NET OPERATING PROFIT	51696.87	51717.80	51738.74	51759.68	51780.61
INTEREST EXPENSES	0.00	0.00	0.00	0.00	0.00
CAPITAL CONSUMPTION ALLOWANCE (BLDGS)	5280.00	5016.00	4765.20	4526.94	4300.59
CAPITAL CONSUMPTION ALLOWANCE (FFE)	14384.20	11507.36	9205.89	7364.71	5891.77
BEFORE-TAX INCOME	32032.67	35194.44	37767.65	39868.03	41588.25
PROVISION FOR LOSS CARRY-FORWARD	0.00	0.00	0.00	0.00	0.00
TAXABLE INCOME	32032.67	35194.44	37767.65	39868.03	41588.25
INCOME TAXES (50 PER CENT)	16016.33	17597.22	18883.83	19934.01	20794.13
AFTER-TAX INCOME	16016.33	17597.22	18883.83	19934.01	20794.13
DISCOUNTED BEFORE-TAX CASH FLOW	43080.72	35915.14	29941.40	24961.26	20809.47
ROI GROSS	18.04	19.83	21.28	22.46	23.43
ROI EQUITY	18.04	19.83	21.28	22.46	23.43

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: 19495.99825 0.24093

EXHIBIT F4

CLOTHING STORES CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE	1268523.64	1268523.64	1268523.64	1268523.64	1268523.64
VARIABLE COSTS	1014818.91	1014818.91	1014818.91	1014818.91	1014818.91
FIXED OPERATING COSTS	5384.09	5384.09	5384.09	5384.09	5384.09
NET OPERATING PROFIT BEFORE MUNIC. TAX	248320.63	248320.63	248320.63	248320.63	248320.63
PROPERTY TAX	416.78	414.24	411.70	409.17	406.63
BUSINESS TAX	125.03	124.27	123.51	122.75	121.99
NET OPERATING PROFIT BEFORE RENT	247778.82	247782.12	247785.42	247788.72	247792.02
RENT	24000.00	24000.00	24000.00	24000.00	24000.00
LAND LEASE COSTS	2487.06	2487.06	2487.06	2487.06	2487.06
NET OPERATING PROFIT	221291.76	221295.06	221298.36	221301.66	221304.96
INTEREST EXPENSES	0.00	0.00	0.00	0.00	0.00
CAPITAL CONSUMPTION ALLOWANCE (BLDGS)	0.00	0.00	0.00	0.00	0.00
CAPITAL CONSUMPTION ALLOWANCE (FFE)	5003.20	4002.56	3202.05	2561.64	2049.31
BEFORE-TAX INCOME	216288.56	217292.50	218096.31	218740.02	219255.64
PROVISION FOR LOSS CARRY-FORWARD	0.00	0.00	0.00	0.00	0.00
TAXABLE INCOME	216288.56	217292.50	218096.31	218740.02	219255.64
INCOME TAXES (50 PER CENT)	108144.28	108646.25	109048.15	109370.01	109627.82
AFTER-TAX INCOME	108144.28	108646.25	109048.15	109370.01	109627.82
DISCOUNTED BEFORE-TAX CASH FLOW	184409.80	153677.12	128066.18	106723.41	88937.50
ROI GROSS	864.60	868.61	871.83	874.40	876.46
ROI EQUITY	864.60	868.61	871.83	874.40	876.46

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: 640092.2928 8.84595

EXHIBIT F5

VARIETY STORES CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE	506427.95	506427.95	506427.95	506427.95	506427.95
VARIABLE COSTS	395013.80	395013.80	395013.80	395013.80	395013.80
FIXED OPERATING COSTS	5384.09	5384.09	5384.09	5384.09	5384.09
NET OPERATING PROFIT BEFORE MUNIC. TAX	106030.05	106030.05	106030.05	106030.05	106030.05
PROPERTY TAX	416.78	414.24	411.70	409.17	406.63
BUSINESS TAX	125.03	124.27	123.51	122.75	121.99
NET OPERATING PROFIT BEFORE RENT	105488.24	105491.54	105494.84	105498.14	105501.44
RENT	24000.00	24000.00	24000.00	24000.00	24000.00
LAND LEASE COSTS	2487.06	2487.06	2487.06	2487.06	2487.06
NET OPERATING PROFIT	79001.18	79004.48	79007.78	79011.08	79014.38
INTEREST EXPENSES	0.00	0.00	0.00	0.00	0.00
CAPITAL CONSUMPTION ALLOWANCE (BLDGS)	0.00	0.00	0.00	0.00	0.00
CAPITAL CONSUMPTION ALLOWANCE (FFE)	5003.20	4002.56	3202.05	2561.64	2049.31
BEFORE-TAX INCOME	73997.98	75001.92	75805.73	76449.44	76965.07
PROVISION FOR LOSS CARRY-FORWARD	0.00	0.00	0.00	0.00	0.00
TAXABLE INCOME	73997.98	75001.92	75805.73	76449.44	76965.07
INCOME TAXES (50 PER CENT)	36998.99	37500.96	37902.86	38224.72	38482.53
AFTER-TAX INCOME	36998.99	37500.96	37902.86	38224.72	38482.53
DISCOUNTED BEFORE-TAX CASH FLOW	65834.32	54864.22	45722.09	38103.34	31754.11
ROI GROSS	295.80	299.82	303.03	305.60	307.66
ROI EQUITY	295.80	299.82	303.03	305.60	307.66

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: 214756.3599 3.15636

EXHIBIT F6

SPORTING GOODS AND RENTALS CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE	1349231.09	1349231.09	1349231.09	1349231.09	1349231.09
VARIABLE COSTS	1065892.56	1065892.56	1065892.56	1065892.56	1065892.56
FIXED OPERATING COSTS	5384.09	5384.09	5384.09	5384.09	5384.09
NET OPERATING PROFIT BEFORE MUNIC. TAX	277954.43	277954.43	277954.43	277954.43	277954.43
PROPERTY TAX	520.97	517.80	514.63	511.46	508.28
BUSINESS TAX	156.29	155.34	154.39	153.44	152.49
NET OPERATING PROFIT BEFORE RENT	277277.17	277281.29	277285.41	277289.54	277293.66
RENT	30000.00	30000.00	30000.00	30000.00	30000.00
LAND LEASE COSTS	3108.83	3108.83	3108.83	3108.83	3108.83
NET OPERATING PROFIT	244168.34	244172.46	244176.59	244180.71	244184.84
INTEREST EXPENSES	0.00	0.00	0.00	0.00	0.00
CAPITAL CONSUMPTION ALLOWANCE (BLDGS)	0.00	0.00	0.00	0.00	0.00
CAPITAL CONSUMPTION ALLOWANCE (FFE)	6254.00	5003.20	4002.56	3202.05	2561.64
BEFORE-TAX INCOME	237914.34	239169.26	240174.03	240978.66	241623.20
PROVISION FOR LOSS CARRY-FORWARD	0.00	0.00	0.00	0.00	0.00
TAXABLE INCOME	237914.34	239169.26	240174.03	240978.66	241623.20
INCOME TAXES (50 PER CENT)	118957.17	119584.63	120087.01	120489.33	120811.60
AFTER-TAX INCOME	118957.17	119584.63	120087.01	120489.33	120811.60
DISCOUNTED BEFORE-TAX CASH FLOW	203473.62	169564.21	141305.90	117756.90	98132.41
ROI GROSS	760.84	764.85	768.07	770.64	772.70
ROI EQUITY	760.84	764.85	768.07	770.64	772.70

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: 703080.8925 7.80831

EXHIBIT F7

PROPERTY MANAGEMENT AND DEVELOPERS CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE	3265426.45	945418.40	945418.40	945418.40	945418.40
VARIABLE COSTS	979627.93	614521.96	614521.96	614521.96	614521.96
FIXED OPERATING COSTS	58299.49	58299.49	58299.49	58299.49	58299.49
NET OPERATING PROFIT BEFORE MUNIC. TAX	2227499.02	272596.95	272596.95	272596.95	272596.95
PROPERTY TAX	33491.18	33287.24	33083.29	32879.35	32675.41
BUSINESS TAX	10047.37	9986.18	9925.00	9863.81	9802.63
NET OPERATING PROFIT BEFORE RENT	2183960.47	229323.53	229588.66	229853.78	230118.91
RENT	0.00	0.00	0.00	0.00	0.00
LAND LEASE COSTS	0.00	0.00	0.00	0.00	0.00
NET OPERATING PROFIT	2183960.47	229323.53	229588.66	229853.78	230118.91
INTEREST EXPENSES	0.00	0.00	0.00	0.00	0.00
CAPITAL CONSUMPTION ALLOWANCE (BLDGS)	122246.10	116133.79	110327.11	104810.75	99570.21
CAPITAL CONSUMPTION ALLOWANCE (FFE)	0.00	0.00	0.00	0.00	0.00
BEFORE-TAX INCOME	2061714.37	113189.73	119261.55	125043.03	130548.70
PROVISION FOR LOSS CARRY-FORWARD	0.00	0.00	0.00	0.00	0.00
TAXABLE INCOME	2061714.37	113189.73	119261.55	125043.03	130548.70
INCOME TAXES (50 PER CENT)	1030857.19	56594.87	59630.78	62521.52	65274.35
AFTER-TAX INCOME	1030857.19	56594.87	59630.78	62521.52	65274.35
DISCOUNTED BEFORE-TAX CASH FLOW	1819967.06	159252.45	132863.81	110847.70	92479.63
ROI GROSS	84.33	4.63	4.88	5.11	5.34
ROI EQUITY	84.33	4.63	4.88	5.11	5.34

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: 630774.3139 0.33205

EXHIBIT F8

PRIVATE RECREATION CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL REVENUE	441469.03	441469.03	441469.03	441469.03	441469.03
VARIABLE COSTS	0.00	0.00	0.00	0.00	0.00
FIXED OPERATING COSTS	111796.11	111796.11	111796.11	111796.11	111796.11
NET OPERATING PROFIT BEFORE MUNIC. TAX	329672.92	329672.92	329672.92	329672.92	329672.92
PROPERTY TAX	3182.56	3163.18	3143.80	3124.42	3105.04
BUSINESS TAX	954.77	948.95	943.14	937.33	931.51
NET OPERATING PROFIT BEFORE RENT	325535.59	325560.79	325585.98	325611.18	325636.37
RENT	0.00	0.00	0.00	0.00	0.00
LAND LEASE COSTS	0.00	0.00	0.00	0.00	0.00
NET OPERATING PROFIT	325535.59	325560.79	325585.98	325611.18	325636.37
INTEREST EXPENSES	0.00	0.00	0.00	0.00	0.00
CAPITAL CONSUMPTION ALLOWANCE (BLDGS)	11616.65	11035.82	10484.03	9959.83	9461.83
CAPITAL CONSUMPTION ALLOWANCE (FFE)	41083.20	32866.56	26293.25	21034.60	16827.68
BEFORE-TAX INCOME	272835.74	281658.41	288808.71	294616.75	299346.86
PROVISION FOR LOSS CARRY-FORWARD	0.00	0.00	0.00	0.00	0.00
TAXABLE INCOME	272835.74	281658.41	288808.71	294616.75	299346.86
INCOME TAXES (50 PER CENT)	136417.87	140829.20	144404.35	147308.38	149673.43
AFTER-TAX INCOME	136417.87	140829.20	144404.35	147308.38	149673.43
DISCOUNTED BEFORE-TAX CASH FLOW	271279.66	226083.88	188417.81	157026.99	130865.95
ROI GROSS	62.33	64.34	65.98	67.30	68.38
ROI EQUITY	62.33	64.34	65.98	67.30	68.38

BEFORE-TAX NET PRESENT VALUE AT 20 PER CENT AND INTERNAL RATE OF RETURN: 635223.4481 0.72146

BREAKDOWN OF PRIVATE RECREATION OPERATING COSTS

Tour Boat		
Wages	$ 6,000	
Gas and Oil	3,000	
Maintenance	2,500	
Insurance	3,000	
Contingency	4,000	$18,500
Snowmobiles		
Wages (1.5 jobs)	$12,000	
Maintenance (@ $300)	9,000	
Insurance	1,000	
Utilities	1,000	
Instruction	8,000	
Trail Grooming	2,000	33,000
Lady Evelyn Marina		
Manager/Owner (½ year)	$ 6,000	
Mechanic (½ year)	4,000	
Dock Lands (4 months)	6,500	
Dock Maintenance	2,000	
Boats and Motor Maint.	6,000	
Insurance	3,000	
Utilities	1,000	
Other Maintenance	2,000	
Contingency	4,500	35,000
Grand Total		$86,500

APPENDIX G

MAPLE MOUNTAIN CORPORATION

It was assumed that the Maple Mountain Corporation would derive its revenues from 4 major sources:

1. Skiing revenues
2. Other recreational revenues
3. Day nursery
4. Commercial space rental in Corporate buildings

Costs were then detailed for

1. Skiing
2. Other recreational facilities
3. General administration

Exhibit G1 presents the detailed cash flow analysis for the Corporation. The estimates from the operating costs associated with skiing were provided by the Special Projects Division and may be broken down as follows:

WAGES	$520,000
MAINTENANCE	175,000
HEAT, LIGHT, POWER	45,000
INSURANCE	24,000
MISCELLANEOUS	60,000
PROFESSIONAL FEES	35,000
TOTAL	$859,000

Exhibit G2 presents the breakdown of Corporation other recreation operating costs.

In deriving a theoretical sale price for land and from this an annual lease rate, the respective price and rate which recovers costs of major infrastructure investment (with the exception of the items for deferred recovery) including the time value of government money at an 8 per cent cost of capital are $7.61 and $.62.

EXHIBIT G1

MAPLE MOUNTAIN CORPORATION CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL SKIING REVENUE	1065750.38	1065750.38	1065750.38	1065750.38	1065750.38
VARIABLE SKIING COSTS	0.00	0.00	0.00	0.00	0.00
FIXED SKIING COSTS	859000.00	859000.00	859000.00	859000.00	859000.00
PROPERTY TAX	33491.18	33287.24	33083.29	32879.35	32675.41
BUSINESS TAX	10047.37	9986.18	9925.00	9863.81	9802.63
NET OPERATING PROFIT FROM SKIING	181763.81	181915.96	182068.12	182220.27	182372.43
TOTAL REVENUE FROM OTHER RECREATION	1743820.16	1743820.16	1743820.16	1743820.16	1743820.16
OTHER VARIABLE COSTS	0.00	0.00	0.00	0.00	0.00
OTHER FIXED COSTS	410000.00	410000.00	410000.00	410000.00	410000.00
PROPERTY TAX	26270.71	26110.74	25950.76	25790.79	25630.81
BUSINESS TAX	7881.22	7833.23	7785.24	7737.24	7689.25
NET OPERATING PROFIT FROM OTHER	1299668.23	1299876.19	1300084.16	1300292.13	1300500.10
REVENUE FROM SPACE RENTAL	82798.34	82798.34	82798.34	82798.34	82798.34
REVENUE FROM LEASED LAND	0.00	0.00	0.00	0.00	0.00
TOTAL NET REVENUE	1382466.57	1382674.54	1382882.51	1383090.47	1383298.44
GENERAL FIXED COSTS	220000.00	220000.00	220000.00	220000.00	220000.00
NET OPERATING PROFIT	1162466.57	1162674.54	1162882.51	1163090.47	1163298.44
LAND LEASE COSTS	18777.32	18777.32	18777.32	18777.32	18777.32
NET OPERATING PROFIT AFTER RENT	1162466.57	1162674.54	1162882.51	1163090.47	1163298.44
INTEREST EXPENSE	523132.04	496304.75	469477.47	442650.19	415822.90
TOTAL CAPITAL CONSUMPTION ALLOWANCE	877679.85	725328.10	602287.48	502753.74	422080.56
BEFORE-TAX INCOME	-238345.32	-58958.31	91117.55	217686.54	325394.98
PREVIOUS LOSS CARRY-FORWARD	0.00	238345.32	297303.63	206186.08	0.00
TAXABLE INCOME	-238345.32	-297303.63	-206186.08	11500.46	325394.98
INCOME TAX	0.00	0.00	0.00	5750.23	162697.49
AFTER-TAX INCOME	-238345.32	-297303.63	-206186.08	5750.23	162697.49
DISCOUNTED BEFORE-TAX CASH FLOW	368722.14	807412.32	[illegible]	560903.37	467503.55
ROI GROSS	4.25	6.52	8.36	[illegible]	11.05

BEFORE-TAX NET PRESENT VALUE AT 8 PER CENT AND INTERNAL RATE OF RETURN: [illegible]

BREAKDOWN OF CORPORATION
OTHER RECREATION COSTS

Horses	Wages	$20,000	
	Maintenance	4,000	
	Food	11,000	
	Contingency	5,000	$ 40,000
Tennis	Wages - Maintenance	6,000	
	Wages - Instructors	24,500	
	Maintenance and Supplies	5,000	
	Utilities	5,000	40,500

Golf Club House:

	Pool	Spa	Squash	Lockers etc.	Nursery	Admin.		
Salaries/Wages	40,000	20,000	3,000	3,000	30,000	103,000	199,000	
Supplies	10,000	5,000	2,000	5,000	10,000	15,000	47,000	
Utilities	3,000	-	-	-	-	7,500	10,500	
Insurance	2,000	-	-	-	1,000	2,000	5,000	
Instruction	20,000	-	Incl. in tennis	-	-	-	20,000	
General	1,000	1,000	1,000	1,000	2,000	2,000	8,000	
Totals	76,000	26,000	6,000	9,000	43,000	129,500	289,500	289,500

Handel Lake Marina:

Wages	$26,000	
Repairs and Maintenance	8,000	
Supplies	2,000	
Insurance	1,000	
Contingency	3,000	40,000
Grand Total		$410,000

SOURCE: Special Projects Division

APPENDIX H

INCORPORATED VILLAGE

Exhibit H1 presents the detailed revenues and costs associated with the Maple Mountain Village. Several assumptions should be noted:

1. Condominiums are assumed to pay business as well as property taxes since they will be earning rental revenues.
2. All assessments for derivation of mill rates were taken to be 100 per cent of the market value of built-up land. This method will come into effect in 1975 prior to the opening of the resort.
3. Assessment for purposes of business taxes was assumed for all enterprises to be 30 per cent of the property assessment.

Because the tax burden was calculated on the principal of maintaining a balanced budget and since debt repayment and debt service are operating costs, the village capital is therefore automatically recovered at an 8 per cent cost of capital.

EXHIBIT H1

VILLAGE BUDGET

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
NON-TAX REVENUE	100000.00	100000.00	100000.00	100000.00	100000.00
CONDO. PROPERTY TAXES	228701.31	227273.88	225846.45	224419.02	222991.59
CONDO. BUSINESS TAXES	68610.46	68182.23	67754.00	67325.77	66897.54
COMMERCIAL PROPERTY TAXES	163766.47	162769.22	161771.96	160774.71	159777.45
COMMERCIAL BUSINESS TAXES	49129.99	48830.81	48531.64	48232.46	47933.28
TOTAL MUNICIPAL TAX REVENUE	510208.24	507056.15	503904.05	500751.96	497599.86
TOTAL REVENUE	610208.24	607056.15	603904.05	600751.96	597599.86
GENERAL ADMINISTRATION	50000.00	50000.00	50000.00	50000.00	50000.00
FIRE	25000.00	25000.00	25000.00	25000.00	25000.00
POLICE	35000.00	35000.00	35000.00	35000.00	35000.00
STREET LIGHTING	10000.00	10000.00	10000.00	10000.00	10000.00
SIDEWALKS AND ROADS	100000.00	100000.00	100000.00	100000.00	100000.00
SEWAGE	100000.00	100000.00	100000.00	100000.00	100000.00
GARBAGE	20000.00	20000.00	20000.00	20000.00	20000.00
CONTINGENCY	50000.00	50000.00	50000.00	50000.00	50000.00
DEBT REPAYMENT	39458.55	39458.55	39458.55	39458.55	39458.55
DEBT SERVICE	61555.34	58398.65	55241.97	52085.29	48928.60
EDUCATION AND WELFARE	120000.00	120000.00	120000.00	120000.00	120000.00
DISTRICT LEVY	0.00	0.00	0.00	0.00	0.00
TOTAL COSTS	611013.89	607857.20	604700.52	601543.84	598387.15
VILLAGE SURPLUS OR DEFICIT	-805.65	-801.06	-796.47	-791.88	-787.29

MARKET FEASIBILITY STUDY

OF THE

MAPLE MOUNTAIN PROJECT

A REPORT TO

SPECIAL PROJECTS AND PLANNING DIVISION

ONTARIO MINISTRY OF INDUSTRY AND TOURISM

February, 1973

P. S. ROSS & PARTNERS

P. S. ROSS & PARTNERS

MANAGEMENT CONSULTANTS 90 SPARKS STREET / OTTAWA 4 / CANADA / 236-9662

28 February 1973

Mr. R. L. Brock
Director
Special Projects & Planning Division
Ministry of Industry and Tourism
900 Bay Street, Queen's Park
Toronto, Ontario

Dear Mr. Brock:

We are pleased to submit our report entitled "Market Feasibility Study of the Maple Mountain Project".

The report provides design guidelines indicated by the market place in addition to assessing the overall feasibility of the project from the point of view of market demand. The estimates of future facility requirements should be regularly re-evaluated in light of the dynamic recreational market.

We appreciate the opportunity to work with you on this interesting and important assignment. We will be pleased to elaborate on any aspect of our report on request.

Yours sincerely,

P. S. ROSS & PARTNERS

B. D. McDougall
Partner

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D. ESTIMATES OF WINTER SKIER DEMAND

E. ESTIMATES OF SUMMER VISITOR DEMAND

F. ESTIMATES OF COMMERCIAL SPACE REQUIRED

I. EXECUTIVE SUMMARY

Introduction

This study is one of a series of consulting assignments commissioned by the Ministry of Industry and Tourism to assess the proposed Maple Mountain resort project.

Our approach involved the assessment of other destination resorts, successful and unsuccessful, and the applications of lessons learned elsewhere to the Maple Mountain situation. Sixteen resorts were visited and numerous articles, reports, and other references were studied. The analysis considered both demand and supply factors relating to the resort.

Assignment Objectives

The objectives of the assignment were to consider prior marketing work undertaken and to evaluate the market feasibility of the project.

The Maple Mountain Concept

The rationale of the resort is to stimulate regional economic development and provide a tourist focus for the area.

The area is remote but accessible. It is located in an attractive wilderness setting and dominated by one of the highest mountains in Ontario.

The intention is to develop a major year-round destination resort catering principally to the Southern Ontario market. The magnitude and diversity of this market permits considerable scope for the resort design. It is to appeal to a variety of income levels and interest groups, providing a broad base of recreational activities.

The resort village will be controlled in terms of size, density, and design. Recreational activities must be readily accessible to the village.

To be successful as a year-round resort the siting of the village is critical. Skiing is foreseen as the major winter sport. Special consideration must be given to ski design factors such as terrain, lift types, and snow conditions.

A mixture of public and private investment is foreseen. Over the longer term, the village is to be self-sustaining with a normal municipal structure.

A Perspective on the Destination Resort Business

While the terms "destination resort" and "semi-destination resort" are frequently used in the tourist industry, they are imprecise in definition. It was determined that a destination resort is characterized by the attractions offered, the length of stay of guests, accommodation, location, management and similar factors.

The sixteen resorts visited fell into four regional groupings: Western U.S., Mid-Western U.S., Eastern U.S., and the Laurentians. Typically, Western resorts have excellent skiing, are well-planned communities and are high priced. Mid-Western resorts have fair to good skiing and offer a variety of summer attractions. Boyne Country, for example, appeals to families, is remote and is a well-planned resort area. Resorts in the Eastern U.S. have very good skiing but few other attractions. Very large markets exist nearby and they tend to attract shorter duration visitors rather than week-long guests. The Laurentian Mountains are a well-established, year-round resort area. They offer good service at reasonable prices and attract guests from long distances.

The concept envisaged for Maple Mountain most closely resembles Boyne Country and certain Laurentian resorts although the village itself will parallel some of the well-planned communities in the Western U.S.

The analysis of other resorts has led to conclusions regarding the strengths and weaknesses of Maple Mountain in terms of markets and concept. If the resort is to be successful, it must surmount, largely if not completely, several shortcomings.

Potential Markets - 1975 and 1981

During the winter, the core sixteen week season is expected to justify an 1800 bed capacity by 1975. This bed requirement assumes a 90 percent occupancy and an 80 percent skier-guest population. It is anticipated that skiing will grow in popularity in the market area at 10 percent per year over the next decade. If the market materializes and Maple Mountain is competitive, some 3,200 beds could be required by 1981.

Summer demand at Maple Mountain is difficult to forecast. Those resorts that make a strong appeal for summer visitors and have adequate summer activities and facilities can generally attain a satisfactory occupancy rate during the twelve week summer season. At a 90 percent occupancy rate, the summer demand in 1975 could be in the area of 2,300 to 2,900 beds. This might be expected to increase to 2,800 to 3,400 beds by 1981.

In the spring and autumn "shoulder seasons" which would amount to some five months each year, average occupancy rates of 25 percent of capacity should be attainable. The adverse effects of this low rate on revenue and profit necessitates higher prime season occupancies and rates.

The number of beds required in 1975 on the basis of market potential is expected to be somewhere between the winter and summer demand of 1,800 to 2,600 beds. The 1981 requirement for just over 3,000 beds in both seasons indicates the need for a phased construction program after 1975.

Planning Guidelines for the Concept

The original concept should be modified in light of the market findings. For example, skiing quality is indicated to be as good as that currently available in Ontario but inferior to Quebec and the Eastern U.S. Such a competitive disability can be overcome to some extent by maintaining the runs in excellent condition and offering other winter attractions. Also, since the quality of skiing is not as great as originally believed, one village should be adequate.

Some of the inherent weaknesses of Maple Mountain can be overcome by imaginative and aggressive marketing. For example, lengthy travel time from major markets can be partially overcome by offering inexpensive and efficient transportation.

In both summer and winter, it would appear that Maple Mountain will appeal to families seeking a complete vacation experience.

Detailed Findings

Insofar as possible, buildings should be multi-purpose and capable of year-round utilization. Sports facilities should be built to Olympic specifications to permit Maple Mountain to develop as Ontario's sports centre for training and competition.

Principal winter activities at the resort should be downhill and cross-country skiing, skating, curling, snowmobiling, swimming and diving. Other activities such as indoor tennis could become important and should be built when economically possible. These activities should be provided free of charge to owners and guests.

A phased construction program should be undertaken for each activity as demand requires. For example, even with up to 1,000 local skiers per day on weekends a design capacity of 3,000 skiers would be adequate to 1975.

Major summer activities should be tennis, golf, boating, fishing and swimming. As with winter activities facilities should be constructed in stages to meet demand. Up to 20 tennis courts and an 18-hole golf course should be built initially with provision made for expansion. The ski-week package including accommodation and instruction should be extended to other sports.

In the off-seasons of spring and autumn, most business will be in the form of conventions. This will require one large convention centre seating about 1,000 and numerous smaller meeting rooms. In addition to large conventions, small meetings and seminars should be encouraged.

Maple Mountain should provide four types of accommodation: hotels, condominiums, dormitories, and private chalets. The amount of dormitory and private chalet space should be limited. Ultimately, hotel and condominium beds should be about equal in numbers. Sales of condominium units are very price sensitive but assuming reasonable prices and a favourable tax climate, two bedroom units are likely to be the most popular with equal numbers of both small and large dimensions. Rates for all accommodations will have to be competitive with similar areas in Canada, particularly the Laurentians.

Commercial space including restaurants and bars initially will be in the range of 60,000 to 80,000 square feet based on a total daily expenditure of $30 - $45 per person.

The provision of camp grounds at or near the resort is not recommended.

In summary, we find that the concept as proposed should receive good market acceptance. However, more details are needed from the concurrent engineering, financial and consumer studies in order that a more refined market assessment can be made. In particular, the ability to develop sufficiently strong market appeals to overcome the disadvantage of remoteness must be evaluated.

II. INTRODUCTION

The Maple Mountain recreation project has been conceived as a major year-round resort development yielding regional and provincial economic benefits. This marketing study is one of a series of consulting projects commissioned to assess various aspects of the resort development.

Our approach to this study was to evaluate other destination resorts both successful and unsuccessful, and to apply lessons learned by these resorts to the Maple Mountain situation. It was recognized from the beginning that the Maple Mountain idea was bold and unique in concept and scale. Nonetheless, there are enough basic factors to render experience gained elsewhere beneficial, particularly insofar as market acceptance is concerned.

The resorts selected for analysis were principally year-round resorts with strong to dominant emphasis on skiing. This choice reflected the initial assumption that Maple Mountain had exceptionally good skiing for Ontario, viz, numerous runs of over 1,000 vertical feet. Visits to all sixteen resorts yielded valuable marketing, design and planning information as did our review of articles, reports, and literature on other resort developments. Some benefit was derived from the experience of a few destination resorts that had failed to achieve their original goals.

This study considers demand and supply dimensions of the marketing plans for the concept. The demand aspect relates to the market feasibility objective whereby we have attempted to evaluate the project in terms of the probable market reaction. On the supply or design side, we have made specific recommendations regarding activities and accommodations relative to the marketplace.

The report deals initially with the Maple Mountain concept, then discusses destination resorts and Maple Mountain as it meets the criteria for a destination resort. The size and growth of the market are then discussed and the market feasibility is assessed. Finally, some of the design issues are considered and recommendations made.

III. STUDY OBJECTIVES

The objectives of the assignment are to provide:

* a "second opinion" regarding the marketing work done to date; and,

* an evaluation of the market feasibility of the project.

IV. THE MAPLE MOUNTAIN CONCEPT

The original concept of the proposed Maple Mountain resort was developed by the Special Projects and Planning Division. It has been modified slightly and will continue to evolve as research and planning proceed. However, for the purpose of this study, certain characteristics of the concept have been assumed and tested against the experience of other destination resorts. The principal features of the Maple Mountain project as defined by the Division are as follows:

Objectives

* To serve as a stimulus to regional economic development.

* To provide a large and dominant tourist development in Northern Ontario which will encourage the growth of other tourist attractions in that region.

The Maple Mountain Area

* The mountain is located west of Lake Temiskaming, about 350 miles north of Toronto on first class highways.

* The maximum vertical drop is one of the greatest in Ontario at 1,100 feet. The resort location is on the east south-east exposure of the mountain.

* The mountain is located in a beautiful unspoiled wilderness, with a lake system of major proportions, that will be the base for summer resort activities.

The Market Concept

* Maple Mountain will be developed as a major "destination" resort, with all the ancillary facilities that must accompany a project of these proportions.

* It will be developed to serve the burgeoning holiday skier market in the Southern Ontario region, but will also provide an unsurpassed summer recreational experience, based upon the water and wilderness features.

* Since the target market for the winter season is the vacationing skier, sufficient accommodation in the form of hotels, dormitories and rental condominiums will have to be provided.

* A range of vacation prices must be offered to attract a variety of income groups.

* Parallel activities such as: après ski, sports and games, shops and restaurants must also be provided to round out the winter ski vacation. The same philosophy will apply to the summer visitor.

* Week-end day skiers may be drawn from the north-eastern region of Ontario, and they will be adequately served with parking and lift facilities.

* Transportation by air, rail or road will be included in the package from major market areas direct to the resort.

* Conventions will be promoted to provide off-season revenue.

The Village Concept

* Design is based on the premise that people enjoy being near other people at a ski resort.

* Buildings ought to be medium density for aesthetic reasons, environment control, and efficiency of municipal services.

* The village should be kept to pedestrian dimensions with vehicular activity separated and minimized.

* Village size will be limited, with the guiding principles being that:

    1. Too small a village does not generate sufficient activity to have the proper atmosphere or to justify the infrastructure costs; and,

    2. Too large a village loses the atmosphere in its sprawl or over-crowding.

* Hotels and condominiums will be constructed by private investors, but the placement and appearance of all construction will be organized through architectural design controls.

* Ski lift access should be close to the village, and skiers should be able to return to the village on skis.

* Sufficient other activities must be offered for bad weather days and for non-skiing guests.

* In total, the village will be a spirited and lively "people place", where city dwellers can thoroughly relax and enjoy themselves.

Village Siting

Both summer and winter use of the area is envisaged, therefore the village site must not unduly compromise activities in either season.

Winter Criteria:

* Good sunshine is important, and the village siting must consider the low winter sun zenith. Southern exposure is desirable.

* Wind protection is essential, the village must not be on a hilltop or exposed ground.

* Vehicular access requires that no major hills be climbed in winter months to get to the village.

* It must also be within skiing distance of the mountain.

Summer Criteria:

* The village should be on a recreational lake.

* The village should be close to the summer activities and facilities at the resort, so that cars are not essential for transportation.

General Criteria:

* Site conditions must be such that no major problems are encountered in:

  - providing services,
  - water supply,
  - waste water treatment, and
  - foundation construction.

Skiing

Terrain

* The skier is attracted to long runs and good variety.

* The maximum vertical drops must be developed, consistent with proper consideration for the quantity of expert, intermediate and beginner acreage necessary.

* International and national race events add to the area's credibility and sufficient terrain of this type should be developed if it exists.

Lift Types

* A quality destination resort must use chair lifts as the minimum lift type.

* There may be justification for at least one "enclosed" lift as an added summer attraction.

Snow Conditions

* A guarantee of excellent snow conditions is essential for a major destination resort.

* To guarantee adequate snow coverage over a long season, a snowmaking system is essential.

* Grooming of slopes will be an important contribution towards offering unequalled and consistent snow conditions.

Financial Considerations

* The infrastructure will be provided by the government, but private capital will assume a large portion of the development cost, particularly for hotels and condominiums.

* The village will be set up with an assessment base so that, in the long term, it will be self-sustaining, and have a normal municipal structure.

On the basis of this definition of the concept it was evaluated against the requirements for a successful destination resort.

V. A PERSPECTIVE ON THE DESTINATION RESORT BUSINESS

A. Definitions of Destination and Semi-Destination Resorts

It is difficult to define precisely what is meant by the terms "destination resort" or "semi-destination resort". For every rule or criteria, an exception can be found. However, in general terms, the following criteria apply to most existing destination resorts of the type being considered. They should, therefore, be applicable to the proposed Maple Mountain complex and assist in determining its market feasibility.

Destination Resort

* The resort has a single attraction or mix of attractions that make it appealing. These may be either natural or man-made.

* Typically, a destination resort offers year-round activities.

* The appeal is sufficiently strong to encourage people to stay longer than three days.

* A variety of accommodation is available at a wide range of prices. However, most accommodation tends to be higher priced.

* Various accommodation packages are offered along with options covering transportation, sports facilities and instruction, and other features.

* Real estate development is becoming an integral part of destination resorts.

* They are often located in a remote location adjacent to spectacular natural attractions or, when such attractions are lacking, they are situated close to a large market.

* The management of the entire complex is the responsibility of one organization or individual.

Semi-Destination Resort

Most of the above characteristics apply with two important exceptions:

* The resort is within a relatively short distance of a major market.

* The recreational facilities and accommodations tend to be less sophisticated and extensive than for a destination resort.

B. Resort Scenarios

Our visits and interviews involved sixteen resorts in four broad geographic areas. These areas and resorts are:

1. Western U.S.A.

Aspen, Colorado
Vail, Colorado
Copper Mountain, Colorado
Sun Valley, Idaho
Snowbird, Utah

2. Mid-Western U.S.A.

Boyne Country, Michigan

3. Eastern U.S.A.

Sugarloaf, Maine
Killington, Vermont
Madonna, Vermont
Loon Mountain, New Hampshire
Wildcat-Mount Cranmore, New Hampshire
Lake Placid-Whiteface Mountain, New York

4. The Laurentians, Quebec

Chantecler
Mont-Gabriel
Grey Rocks
Mont-Tremblant

Significantly, within each geographic area, the resorts tended to be similar but were dissimilar to resorts in other geographic areas. The dissimilarity was not merely geographic but was conceptual as well. The characteristics of typical resorts in each geographic area are outlined below. Statistical information on these sixteen resorts is found in Appendix A.

1. Western U.S.A.

Destination ski resorts situated in the Western States are typically located within a three to five hour drive of a major population centre. They are in relatively remote locations, usually adjacent to large mountains with vertical drops in the area of 3,000 feet. Snowfall is dependable and between 90 and 120 skiing days per year is normal.

They are characterized by superb skiing for the expert, the intermediate and the beginner in an outstanding physical environment. Along with excellent snow conditions and exciting ski runs, they possess après-ski activities that surpass that available in most cities. Access is by both road and air with most resorts situated close to an interstate highway. A variety of accommodation is available including hotels, condominiums, lodges, chalets, private houses and dormitories. However, the majority of on-site accommodation is hotel and condominium units which are located within skiing access of the lift terminals. Accommodation charges and other costs are high in comparison with Canadian resorts.

Other activities offered are limited and summer utilization for the most part is low. Visitors are attracted from long distances by the skiing and the atmosphere.

In short, Western U.S. destination resorts are considered to be among the finest in the world. Much of their clientele is wealthy and is willing to pay for status, outstanding skiing, well-planned facilities and an exciting resort atmosphere.

2. Mid-Western U.S.A.

Boyne Country is a successful privately owned destination resort situated approximately 265 miles northwest of Detroit and 350 miles northeast of Chicago. Sixty percent of the skiers vacationing at the resort originate in Detroit and fifteen percent in Chicago.

The success of the resort is considered to result from excellent planning of both summer and winter activities, including championship golf facilities for the summer visitor and good skiing in the winter. Accommodation in the core winter and summer seasons averages about 80 percent of capacity.

Although the area does not offer skiing quality comparable with western ski resorts, skiing is still considered to be the prime winter attraction. A renowned ski school attracts many beginning skiers. The resort reportedly has the largest snowmaking operation in North America.

Atmosphere is a combination of elegance and relaxation, attracting high-income families from the cities of Detroit and Chicago. The resort is remote but easily accessible by road from both cities. Travel times are six hours from Detroit and eight hours from Chicago.

Accommodation at the resort is limited. Hotels and motels nearby provide most of the accommodation required. Week-long vacation packages are very popular in both core seasons and the resort has a good reputation as a convention centre.

Boyne Country is most significant because of its remote location and distance from a very large market area. It is a planned resort offering the best skiing in the area and year-round activities. There are no other major tourist attractions in the vicinity.

3. Eastern U.S.A.

Geographically this area includes the States of Maine, New Hampshire, Vermont, and New York. It is characterized by major population concentration within a few hours or, at most, a day's drive. The mountains vary from those with a vertical drop of a few hundred feet to some near 3,000 feet. Most of the major resort areas have from 1,500 to 3,000 vertical feet. The winters tend to be long with at least four months of good skiing, the snowfall is heavy and the climate is favourable. Most resorts are primarily winter oriented. Attempts are made to attract summer visitors but, for the most part, the resorts have little to offer a week's vacationer in the summer. As a result, they rely on transient visitors to achieve necessary occupancy levels.

Many are semi-destination resorts in that they offer limited activities other than skiing and attract very large week-end crowds. One result is long lift lines. Après-ski and other commercial facilities such as restaurants and shops are well developed.

Generally, these resorts have some accommodation owned and operated by the resort management but depend to a large extent on nearby rental space to provide rooms. With few exceptions, these resorts have been established for a number of years and their growth has been unplanned. Their rates for both skiing and accommodation approximate those prevailing elsewhere in the U.S. and are higher than Canada.

In summary, most resorts in this region fit the definition of a destination resort but are not as dependent on the week-long visitor as the other areas studied. The reliance on short-term visitors from a nearby major market, the lack of coordinated planning, and limited attractions apart from skiing have all combined to discourage the longer-term visitor.

4. The Laurentians

The Laurentians comprise a highly developed recreational area running north of Montreal from St-Jerome to St-Jovite, a distance of about 60 miles. The market served by the Laurentians has two dimensions, the nearby Montreal market and the U.S. market. The former makes up most of the daily skier visits and weekend overnight vacationers in both summer and winter. Much of the week-long business in both seasons is comprised of visitors from the U.S. and some from Ontario. Ski-weeks in winter and economy weeks in summer make up a large proportion of total occupancy.

Skiing in the Laurentians, with the exception of Mont-Tremblant, is not outstanding in terms of vertical drop and long runs but most ski areas keep their hills well groomed and provide excellent skiing all season. The hills provide a mixture of terrain with the emphasis lately upon novice and intermediate rather than expert runs. The area has a widespread reputation for its outstanding ski schools. The Laurentians are as attractive to visitors in the summer as in winter. Most major resorts are located on large lakes and offer a wide variety of summer activities from water sports to tennis and golf. Occupancy rates in summer tend to be almost as high as in winter although there are more transient visitors. Convention trade is significant in the shoulder seasons.

The climate in both summer and winter is ideal. Skiing can continue for up to five months where extensive snowmaking is carried out and the summers are warm and sunny.

Most resorts offer a wide variety of activities owned and operated by the resort management. The major destination resorts have accommodation for 300-400 guests and numerous smaller hotels and motels are found nearby. It is estimated that the number of beds in the area offered by "destination resorts" total under 3,000. Details are found in Appendix B. Many more beds exist in small hotels and motels in the region but these offer limited facilities apart from accommodation.

The Laurentians are an old and well-established recreational area with a good reputation for facilities and service. The rates tend to be lower than comparable areas in the U.S. Sophisticated après-ski activities are few but food in restaurants and hotels is of high quality. The French Canadian atmosphere is particularly attractive to visitors from the U.S.

The destination resorts in the Laurentians are generally successful as year-round operations. Most are highly cognizant of their market and concentrate their marketing efforts accordingly. Many guests come from as far away as Philadelphia, Boston, New York and Toronto. The marketing of destination packages is prevalent.

C. Maple Mountain Compared to Other Destination Resorts

It was not expected that any destination resort in North America would provide a precise model for the type of development envisaged at Maple Mountain. However, each of the resort types demonstrates certain features that would be characteristic of Maple Mountain. In concept, some resorts are quite similar although they may differ in size, accessibility or other features.

The Western U.S. resorts are similar to Maple Mountain in that most are well-planned, relatively large, rather isolated from major markets and offer a mixture of accommodation types. They are dissimilar in that they offer outstanding skiing, are primarily one season, attract visitors from all over North America, and tend to be higher priced. Western resorts do not provide a good model for Maple Mountain primarily because they appeal to a totally different market. In competitive terms, Maple Mountain would not be able to attract many of the visitors attracted to these Western resorts.

The analysis of Mid-Western U.S. resorts is based on a visit to one area, Boyne Country. However, of all the resorts visited, Boyne most nearly approximates Maple Mountain in terms of size, distance from major markets, lack of nearby competition, quality of skiing and accommodation, appeal to family, guests and similar factors. Its major dissimilarities to Maple Mountain include a limited amount of accommodation under the resort management, decentralization into four separate areas, and a market of almost 20 million people within 350 miles. Recognizing the limitations of the comparisons the Boyne experience provided guidance in the calculation of potential market size and other factors regarding Maple Mountain.

The Eastern U.S. market presented a number of difficulties in trying to draw comparisons to Maple Mountain. As in the West, the resorts offer superior skiing and tend to concentrate on winter business. They are much closer to major markets than Maple Mountain and have substantial numbers of day or weekend visitors rather than week-long guests. They tend to have limited accommodation within the resort managed area and to be slightly higher priced than is anticipated for Maple Mountain. Similarities include well-developed commercial facilities such as restaurants, shops, and après-ski activities. For the most part, the Eastern U.S. resort has little in common with the concept for Maple Mountain. The one notable exception is Sugarloaf Maine which is far from major markets, isolated, and aggressively promoted.

The Laurentian resorts bear a number of similarities to the Maple Mountain proposals. They tend to offer quality skiing and excellent summer recreational facilities. Although small in relation to Maple Mountain, they offer a complete range of activities and services. The concentration is on attracting week-long family vacationers with an emphasis on instruction in a participation sport. Their prices are similar to those anticipated for Maple Mountain and the climate is much the same as Northern Ontario. These resorts are dissimilar to Maple Mountain in terms of size, long history, their French atmosphere, the wide variety of attractions offered in the region and the careful way in which each resort has developed a specific clientele. The Laurentians are of most interest because of the range of activities offered and the success of their week-long accommodation and recreation packages.

There are numerous resorts within a similar travel distance from Southern Ontario that would be the prime competition (apart from Europe and the West). A list of the major apparent competitors is found in Appendix C.

D. Assessment of Strengths and Weaknesses

The analysis of Maple Mountain relative to the criteria for a destination resort and experience elsewhere has permitted the identification of a number of inherent strengths and weaknesses regarding Maple Mountain's potential as a major resort complex. A marketing plan for the complex must consider these strengths and weaknesses and determine how to accentuate the strengths and minimize the weaknesses. They are as follows:

Strengths

* Sufficiently remote that visitors will plan to stay for a number of days.
* A market in Ontario of about 6.5 million people within a day's drive.
* A potential market in the U.S.A. of almost 60 million people within a two day drive or a few hours flying time.
* An attractive wilderness setting.
* Provincial ownership and control of all land in the surrounding area.
* The commitment of the Ontario Government to the project and the impetus that it can provide.
* A major airport nearby with scheduled Air Canada service and jet aircraft capability.
* A provincially-owned railway in proximity to the site.
* Excellent roads in the area.
* A mountain with skiing potential.
* Long winters with adequate snow.
* Numerous large lakes with sandy beaches.

* Good fishing and hunting potential.

* A large local labour force.

* No existing competitive resorts in Ontario.

* Rapid growth in demand for leisure and recreational activities and facilities.

Weaknesses

* Located 350 miles from the major Canadian market and even farther from the nearest U.S. markets.

* Numerous competitive areas within approximately the same distance of the Toronto-Hamilton region (Appendix C). Many of these are well-established with superior skiing and climate.

* A small local market of only 250,000 people.

* No additional attractions nearby to offer a variety of options.

* Some competition from distant resorts in the West or Europe which now offer attractively priced packages. Transportation costs are declining as a proportion of total vacation expenses.

* The climate may not be ideal with short warm summers and long periods of spring and fall weather.

* The full vertical elevation of the mountain cannot be utilized for skiing. However, the ski potential is better than average for Ontario.

* Expansion of ski facilities much beyond the 4,600 daily skiers is not feasible without changes in the mixture of skiing or a lowering of its quality.

* The cost of building roads and other infrastructure dictates a relatively large size community to be economical.

* Flies may be a problem.

* Hunting may not be permitted.

It will be important to assess the significance of these factors in shaping the exact potential market by means of consumer research.

VI. POTENTIAL MARKETS - 1975 AND 1981

A. Winter Season

The core winter season at Maple Mountain would be sixteen weeks from the beginning of December to the end of March. Some winter activities might be possible during the last two weeks in November and up to four weeks in April. However, skiers generally consider the four core months to be ideal.

The detailed calculations of numbers of skiers are shown in Appendix D. These have been converted into bed requirements as shown in the following table.

Winter Bed Requirements at Maple Mountain

	1975	1981
Number of Skiers per Season	21,000	37,000
Number of Skiers each Ski Week	1,300	2,300
Bed Requirements - Assumption 1	1,600	2,800
- Assumption 2	2,000	3,600
- Assumption 3	2,650	4,700
- Assumption 4	2,000	3,600

Assumption 1 - 90% occupancy and 90% of guests are skiers.
Assumption 2 - 80% occupancy and 80% of guests are skiers.
Assumption 3 - 70% occupancy and 70% of guests are skiers.
Assumption 4 - 90% occupancy and 70% of guests are skiers
or 70% occupancy and 90% of guests are skiers.

For our purposes we have chosen a compromise between Assumption 1 and Assumption 2 which is conservative but realistic. Therefore throughout the report we have assumed weekly winter demand of 1,800 in 1975 and 3,200 in 1981.

The occupancy levels assume limited potential for visitors drawn by other attractions like snowmobiling, curling, cross-country skiing, and others. None of the other resorts visited attracted such business in any quantity, however, a conscious effort to promote other winter activities may have some positive results. We believe such business would be marginal; that activities like skating, curling and snowmobiling would be used by skiers during poor skiing weather, by convention participants and by those attracted to special events involving those sports. The vast majority of guests during the winter season would be alpine skiers.

The skier demand projections for 1975 and 1981 are based on a 10 percent annual growth rate over the next decade. The logic for this is that the rate of growth in skiing will likely diminish as birth rates decline and as the proportion of young people in the population declines as a percentage of the total. Previous growth rates of 15 percent occurred as a result of starting from a very small base. Also, a great potential existed in terms of ski area development and the large numbers of non-skiers among the typical skier profile group.

Another important factor that may work to the detriment of Maple Mountain is the activities of competitive areas. If Maple Mountain begins to draw away visitors in large numbers from the Laurentians, Ski East and the North East U.S. ski areas, some form of competitive retaliation can be expected. These areas, for example, have not yet offered transportation packages with their ski weeks, and some like the Laurentians, can eliminate portions of their comprehensive packages and cut rates. On the other hand, many of these areas do not now consider Southern Ontario to be a major market area and so may not be materially affected by competition from Maple Mountain.

B. Summer Season

The core summer season at Maple Mountain would extend from mid-June to Labour Day. This season is dictated by school vacations and cool weather in late spring and early fall.

Estimates of summer visitors are much more difficult to make because the resort should, in the summer, appeal to a wide variety of interest groups. Also, the established resorts studied provided little guidance in estimating summer visitors. Our efforts were directed towards resorts where the winter emphasis was upon skiing and at many

of those areas summer occupancy rates were low. We were able to conclude that those resorts which make a strong appeal to summer vacationers and which have a variety of high quality summer activities at competitive prices are able to attain high occupancy rates in the core summer period.

Given these difficulties, we were able to make estimates of summer bed requirements but with considerably less accuracy than our winter estimates. The calculations are shown in detail in Appendix E.

The following table shows summer bed requirements under various assumptions.

Summer Bed Requirements at Maple Mountain

	1975	1981
Number of Vacationers	40,000	48,000
Number of Vacationers each 5-day Period	2,350	2,800
Bed Requirements - Assumption 1	2,300-2,900	2,800-3,400
- Assumption 2	2,650-3,250	3,150-3,850
Number of Vacationers each 6-day Period	2,850	3,400
Bed Requirements - Assumption 1	2,850-3,450	3,400-4,200
- Assumption 2	3,200-3,900	3,800-4,700

Assumption 1 - 90% occupancy $\pm$ 10%

Assumption 2 - 80% occupancy $\pm$ 10%

Over the brief summer season, 90 percent occupancy of rental units may be necessary to assure the economic viability of the resort. Therefore the number of beds required for summer visitors could fall within the range of 2,300 to 2,900 in 1975 increasing to 2,800 to 3,400 in 1981. The employment of a probable range of bed requirements was necessitated by the uncertainty of the calculations. The 1981 figures are based on a 3 percent annual growth in demand. This is double the annual population growth.

These figures represent those who might use Maple Mountain as a destination resort. Obviously some transient business will occur, particularly in the summer but this is expected to be small in relation to the capacity of the resort.

Given the selective marketing approach used by successful destination resorts, much more detailed research is needed to identify Maple Mountain specific potential. The projections shown should be used for planning guidelines. They are optimistic and a strong marketing effort will be required to achieve adequate utilization.

C. Spring and Autumn Seasons

Maple Mountain will have very long spring and fall seasons. The former will run from mid-April to mid-June and the latter from early September to mid-November. In total, these periods of relative inactivity could amount to five months each year. Most resorts visited either close for these periods or operate at reduced levels. The most common activity is conventions, however, we believe that properly promoted, the shoulder seasons could perhaps achieve average occupancy rates of 25 percent. The facilities and attractions required for the shoulder seasons are discussed in a later chapter.

D. Yearly Occupancy

In summary, it would appear, based on our estimates, that in 1975 demand will exist for about 1,800 beds in the core winter season and 2,600 in the core summer season. These are the critical periods upon which decisions regarding accommodation construction must be based. The shoulder seasons, even with aggressive promotion will achieve only limited success and it will tend to be sporadic depending on conventions and other groups. The critical decision will be whether to close or remain open during these slack periods.

By 1981 our projections anticipate summer bed requirements of about 3,100 and winter demand of about 3,200. Shoulder season business will continue to be light.

If an average of 90 percent occupancy is financially necessary in summer and winter, the optimum number of beds will fall somewhere between the summer and winter demand. If lower occupancy is acceptable, obviously more accommodation can be justified. However, the most business-like approach would be to plan for the minimum level, in this case the winter level of 1,800 beds, and to develop a marketing program to fill the resort as completely as possible in all other seasons. When the success has been demonstrated by season, additional capacity could be added as warranted. It is important to note that the 1975 and 1981 bed requirement projections are for design purposes; it would take at least two to four years to build up the market

VII. PLANNING GUIDELINES FOR THE CONCEPT

The original concept has undergone careful review over the past few months. The experience learned from other resorts and an assessment of the ski potential has lead to refinements in the scheme. For example, it was originally expected that Maple Mountain could be promoted as a major winter resort with outstanding skiing. It was believed from the beginning that the summer appeal would be strong. Following our evaluation of the ski potential, it became obvious that the skiing would be as good as anything currently available in Ontario but could not rival some areas in Quebec or the Eastern U.S. However, the lack of extensive skiing with 1,000 feet in vertical drop and long runs might be overcome to some extent by attention to other elements of skiing like snowmaking and hill grooming and other winter activities.

The ski evaluation also revealed that the potential for expansion of ski runs is very limited without changes in either quality or mixture of skiing. The topography of the Maple Mountain ridge prevents extensive development beyond that already identified. The skiing layout anticipates a capacity of 4,600 skiers per day. This translates into a maximum of about 7,000 beds for the winter season. The original idea of building other villages as the original one reached capacity and spreading ski facilities along the length of the ridge does not now appear to be feasible unless other major winter attractions are developed.

The necessity of building a high quality highway and extensive infrastructure in a remote area requires a large minimum size for the project to be economically viable. Preliminary studies estimated this minimum size at about 3,000 beds. Our calculations indicate that skier demand in 1975 at 90 percent occupancy would justify about 1,800 beds increasing to 3,200 in 1981. Summer demand could be considerably higher but still below 3,000 beds in 1975. The optimum economic size given different demand levels for winter and summer core seasons can be determined assuming different occupancy levels at specific rates.

Undoubtedly the Maple Mountain concept fits the definition of a destination resort. The natural appeal is only marginally better than areas closer to the market; therefore the advantage must be gained through the design and promotion of exceptional man-made facilities.

Many of the weaknesses identified can be overcome to some extent by aggressive marketing. Its distance from major markets can be partially overcome by offering inexpensive and efficient air and rail service. The skiing limitations may be of less consequence if lifts, trail design, snow-making, and hill grooming are of exceptional quality. The establishment of such a major resort in Northern Ontario may lead to the development of other tourist attractions in the region. Some difficulties, of course, cannot be eliminated. The climate, the cost of infrastructure and others must be recognized and accepted.

In summary, Maple Mountain will not be competing with the major Western resorts or Europe for the serious skier's holiday. It will have to appeal to families and those seeking a complete vacation experience rather than simply great skiing. In the summer, on the other hand, the natural attractions of Maple Mountain should put it in a position to compete with similar resorts in Canada and the North East U.S. However, the qualifications outlined earlier need to be assessed carefully.

VIII. DETAILED FINDINGS

A. Facilities

A few basic principles should guide the building of the recreational facilities. Buildings should, as fully as possible, be multi-purpose and capable of year-round utilization. All such facilities where possible should be built with a view to future expansion or change in function. Their construction should take place in phases and, apart from a few basic requirements, in response to real demand. The purpose is to get high utilization from all facilities over a good life span.

Consideration should be given to sports facilities that would be built to national or international specifications. Various sports bodies in Canada are considering the establishment of regional sports centres across the country where top calibre athletes could train in their sport. Such training might involve an annual two week training period for Ontario athletes or even those from other provinces. In addition, training periods in preparation for major competitions could be held as well as regional trials to select athletes for such competition. Examples of sports for which such facilities might be built are alpine skiing, cross-country skiing, hockey, figure skating, swimming and diving, tennis, golf and sailing.

Maple Mountain has a unique opportunity to build initially, or for upgrading to Olympic calibre, facilities that would have to be built in any case, and so become Ontario's sports centre.

B. Winter Activities

The following is a list of winter activities proposed for Maple Mountain. The list is composed of those activities which require major capital or organizational input but does not include many activities which can be set up with a minimum of effort. The activities are segregated into three categories (A, B or C) depending on their importance to the resort. Category A facilities would be built early in the development followed by Categories B and C.

A
- downhill skiing
- cross-country skiing
- skating
- curling
- snowmobiling
- heated swimming pool

B
- indoor tennis
- toboggan or sleigh run
- sleighrides

C
- bowling
- sauna bath
- squash
- ice boating

The numbers of users of each activity will vary greatly and even though some activities may lie idle some of the time they may be necessary to portray the image of a complete resort. Also, some activities may be utilized by permanent residents of the proposed village and by residents of existing towns nearby.

Charges for the use of activities may take any one of three alternatives. Some may be free to condominium owners or resort guests, others may be charged for at a flat rate depending on usage while others may be paid for by guests as part of a package vacation. The use of the swimming pool, for example, would likely be free to owners and guests whereas indoor tennis and skiing would have a usage charge. Skiing would also be part of package rates. The rates charged would have to be competitive with the charges for similar activities elsewhere. Downhill skiing for example would have to have rates competitive with those in the Laurentians and north of Toronto but not necessarily comparable with rates in the U.S. This year daily rates in Eastern Canada are $3-4 for weekdays and $6-7 for weekends. The same rule would apply to other activities.

The growth rate for each activity will be different. Downhill skiing will probably grow at 10 percent per year for the next decade, cross-country skiing may have a greater growth rate, particularly over the next few years, but will not likely develop as a major resort activity. Indoor tennis and squash are rapidly growing sports whereas snowmobiling and curling have probably achieved peak growth rates and are now increasing more slowly. A phased construction approach to such activities should avoid the danger of over-capacity in certain areas.

If the project does open in 1975, the identified potential for 4,600 skiers will not be required. Even with local week-end skiers the capacity necessary would be less than 3,000 skiers per day. As demand grows more lifts and runs can be put in. Such outdoor activities as cross-country skiing, snow shoeing, snowmobiling and sleigh rides can use existing logging roads and trails. Skating should be available outdoors, probably on the lake, and at an indoor arena where hockey and broomball can be played as well as skating and where off-season figure skating and hockey schools can be held. Alternatively, an arena could be used in the off-season for conventions. Perhaps attached to the arena and sharing the ice-making plant could be two or three sheets of curling ice. Indoor tennis may be possible in a large hall used in the shoulder seasons for conventions or an air support structure could be erected over a few outdoor courts. An indoor swimming pool and diving towers would serve winter guests and in the off-season be used for competition and training. Limited facilities for bowling, squash, and sauna baths should be considered. Indoor sports like badminton, volleyball and others could be set up in a large building used for conventions in the off-season.

Skiing is by far the most important winter activity. In our visits to other resorts, we discovered a number of factors that are widely felt to be important to the average skier. Since Maple Mountain does not have a high vertical drop relative to some competitive areas, it must make up for it by concentrating on good snow conditions, hill grooming, well-designed runs, high quality lifts, short lift lines, competitive tow rates, and an excellent ski school.

Although there are eight ski areas within driving distance of the North Eastern Ontario market, Maple Mountain will have by far the best skiing in the area (Appendix C). An estimated 5,000 skiers are located within a few hours' driving distance of Maple Mountain and, on the weekends particularly, perhaps 1,000 of this group could be attracted to Maple Mountain each day.

C. Summer Activities

Major activities in the summertime will be those that attract a number of visitors and/or those that require a major effort in terms of investment or organization. Other summer activities are not listed although they may be important. The following list ranks activities (A, B or C) depending on their significance to the success of the resort. Category A activities, for example, should be built early in the resort development.

A
- tennis
- golf
- boating (sailing, water skiing)
- fishing
- swimming

B
- hiking (nature trails)
- horseback riding
- canoeing and camping trips

C
- scuba diving
- skeet shooting

Of the major activities, swimming will undoubtedly be the most popular followed by golf and tennis. The latter is, and will continue to be, the fastest growing summer sport. Based on experience elsewhere the construction of 15-20 courts is suggested with an intermediate objective of 20-25 courts. An 18-hole golf course will be adequate in the early stages. The equipment and facilities required for sailing, water skiing, canoeing, horseback riding, and other sports can easily be increased as demand requires.

The ski-week concept can be extended to cover summer activities. This is particularly true of golf, tennis, sailing, and others, where a week long rate package including accommodation and instruction should appeal to many potential guests. Tennis resorts are enjoying high popularity at present.

As with winter activities, some recreation facilities will require a usage fee, while others will be included as part of the accommodation package. Activities like swimming and hiking will be free to guests and owners while a usage charge will have to be made for golf, boating and perhaps, tennis. Week-long packages featuring instruction in certain activities will include usage fees and instruction costs in the overall price.

The range of summer activities anticipated for Maple Mountain should put it in a very strong competitive position. In fact, to our knowledge, no other resort in North America offers the variety of year-round activities that will available at Maple Mountain. This is particularly true of the Ontario market where no other resort of this type or size exists.

D. Spring and Autumn Activities

Every resort studied has considerable difficulty attracting guests during the off-seasons. Most of the major sports activities are either beginning or ending and while the climate might still be good for many activities the weather is unpredictable. Attractively priced week-long packages may appeal to some sports participants but the greatest potential will be for conventions and other groups.

Ontario does not now possess a large non-urban convention facility. Such a large convention centre built at Maple Mountain, perhaps seating 1,000 with a number of smaller meeting rooms and areas for outdoor and indoor displays, should be very attractive to convention planners. The wide variety of activities offered at the resort should also be very appealing as a convention location. Attempts also should be made to attract small meetings and seminars.

Those resorts that have been most successful at selling off-season accommodation have done so by maintaining a sales force committed to the longer term development of convention business and by offering accommodation discounts of up to 15 percent. Even using such tactics, the highest off-season occupancy levels encountered were 25 percent of capacity. However, if Maple Mountain were to supplement convention business with numerous small meetings and seminars plus using the area as a major competitive sports centre for training and competition, it might be possible to exceed the 25 percent mark.

The other alternative, and one taken by many resorts, is to close entirely during the off-season, only opening if demand warrants it. Because of the size and nature of Maple Mountain, this does not seem to be a reasonable alternative.

E. Accommodation

Four types of accommodation are generally found at destination resorts: hotels or lodges, condominiums, dormitories, and private chalets. All of these should be considered for Maple Mountain and all should be built within community design controls. Mature resorts where such a mixture of accommodation exists tend to have most beds in the form of hotels or condominiums and the mixture seems to be an equal number of each. However, destination resorts that have all hotel or all condominium accommodation are not unknown and in most cases have been successful. The necessary percentage of each seems to be a subjective decision.

In the case of private chalets, built to the specifications of the owner, the supply of lots need only be adequate to meet demand. Dormitory space exists at most resorts, and Maple Mountain might find it advantageous to establish at least 100 dormitory beds in condominium units owned and operated by the resort. In this way, if the dormitory space does not sell, it can easily be added to the condominium accommodation pool.

If it is assumed that all condominium space is available for rental purposes when not occupied by the owners and that the winter demand for 1,800 beds in 1975 will be the initial size of the project, approximately 800 hotel beds and an equal number of condominium beds will be required. This is about 200 condominium units of various sizes and 400 hotel rooms. This split takes into consideration the anticipated demand for condominium purchases and the rental requirements of the resort. As stated previously, it anticipates 90 percent occupancy during the core seasons. In the off-seasons hotel occupancy tends to drop off somewhat while condominium occupancy decreases severely.

Most resort condominium developments are built in a variety of sizes in terms of both floor space and numbers of rooms. Commonly the units offered are studios, and one to four bedroom units. The sales of various types are very price sensitive. Where prices are reasonable two bedroom units are most popular. As prices increase, the demand for one bedroom and studio units becomes more prevalent. The following seem to be current competitive prices for various types of condominium accommodation at U.S. resorts:

Studio	$15,000 - 20,000
1 bedroom	$23,000 - 27,000
2 bedroom	$34,000 - 40,000
3 bedroom	$44,000 - 48,000

At these prices the mixture of condominium units is 30 percent studio or one bedroom, 30 percent three bedroom and 40 percent two bedroom. The experience at other resorts is that most condominium units are sold before they are built. Maple Mountain, on the other hand, has a smaller, less affluent market on which to draw and recent tax changes may lessen the appeal of a condominium as a vacation home and as an income-producing property. On the other hand, a shortage of cottage lots near cities and strict government environment controls are leading to higher prices and a decline in supply.

Rates for accommodation must be competitive with areas appealing to the same market. For example, if Maple Mountain had opened this year, the American Plan room rate per person in a double room would have to be $15-30 depending on the quality of accommodation. Weekly condominium rates would be proportionately lower since meals would not be included. Ski week rates in an hotel including all meals, skiing for a week and instruction are currently in the range of $150 - $180 per person, double occupancy for six nights (Appendix A). Transportation costs would be extra but should be moderate to keep the overall package rate attractive and competitive. The economics of the accommodation business at Maple Mountain must be evaluated to determine whether or not these operations could be profitable at competitive rates, estimated occupancies and the capital and operating costs prevailing in the area. As a general rule, resorts in Canada have not been highly profitable in view of the high capital costs and seasonality.

If the hotels are to be small, as anticipated in the original planning, they should provide small meeting rooms rather than large facilities. These rooms would accommodate various numbers up to 100 to 200 people. The major convention centre with seating for about 1,000 would be a community facility rather than captive to any one hotel.

Commercial space, in addition to restaurants and bars in hotels, would be necessary to serve the community. Grocery and drug stores, a dry cleaner, clothing boutiques, liquor and beer outlets, sports equipment shops, a cinema, and additional restaurants and bars would all be required. To serve an initial population of over 2,000 including employees, commercial space including hotel bars and restaurants totalling 60,000 to 80,000 square feet would be required. The calculations upon which these estimates are based are shown in Appendix F.

Expenditures at a destination resort by category are approximately as follows:

Lodging	19%
Meals	13
Lift Tickets or Activity Charges	14
Transportation	15
Clothing and Equipment Purchases	18
Entertainment and Alcohol	8
Instruction	3
Other	10
TOTAL	100%

Currently, the average daily expenditure at a destination resort is in the range of $30 to $45, exclusive of transportation costs, and depending on the season.

The provision of campsites at a destination resort is very uncommon. Although Maple Mountain may wish to take advantage of any extra visitors that may be drawn to the area, the problems associated with tents and trailors may outweigh the extra revenue produced.

IX. CONCLUSIONS AND RECOMMENDATIONS

The following conclusions have been arrived at with regard to the Maple Mountain project:

* In broad terms the original Maple Mountain concept is still valid.

* The proposed resort fits within the definition of a destination resort.

* No other resort in North America can serve as a model for Maple Mountain. However, Boyne Country in Michigan is similar in many respects.

* The identified skiing is as good as the best in Ontario.

* The potential for expansion of the ski facilities in terms of more runs is very limited.

* Winter demand in 1975 could support 1,800 beds growing to 3,200 by 1981, subject to marketing build-up.

* Summer demand in 1975 will be in the range of 2,300 to 2,900 beds. By 1981, this will grow to 2,800 to 3,400.

* Shoulder season occupancy rates of 25 percent of capacity will be the maximum attainable.

* The maximum village size as determined by the ski potential of the mountain is 7,000 beds.

* Aggressive and imaginative marketing programs must be used to help overcome some of the natural weaknesses of Maple Mountain as a major destination resort.

* The location of the resort, the competitive quality of its skiing, the high infrastructure cost and the profit patterns for the Canadian tourist facility industry indicate moderate profit prospects.

* There is a market for the Maple Mountain resort but the quality of the skiing and the remoteness are likely to militate against any large scale, rapid market acceptance since alternatives do exist. In investment terms, it is a high risk proposition that would have to offer high potential return to be attractive.

The following is a summary of the recommendations made throughout the report:

* From a marketing point of view, Maple Mountain should be designed for 1,800 to 2,900 beds in 1975. The optimum number is to be determined by financial analysis of various occupancy rates and prices.

* A phased construction program should be planned for both recreational facilities and accommodation. Growth should be linked to anticipated demand.

* Recreation facilities should be built with potential for expansion or change in function if demand warrants. As much as possible such facilities should have multi-seasonal capability.

* The possibility of making Maple Mountain a major training and competitive sports centre should be investigated.

* Rates for recreational activities and accommodation at the resort must be competitive with similar rates in Canada.

* The ski-week approach where instruction is a major component of the vacation package should be extended to other sports, particularly tennis, sailing, and golf. In this way Maple Mountain would acquire a reputation as a major non-urban convention centre in Ontario.

* Ultimately an even split between hotel beds and condominium beds should be sought.

* A limited number of dormitory beds should be established. Consideration should be given to selling or leasing lots for private chalets.

* If condominiums can be attractively priced, 40 percent of those built should be two bedroom units and the remaining 60 percent evenly split between studio or one bedroom and three bedroom units.

* Commercial space of 60,000 to 80,000 square feet should be provided.

* The provision of campsites is not recommended.

The foregoing recommendations are made on the basis of assessing the basic concept as outlined by the Division against the potential market. At this stage of the planning, detailed information on pricing and other factors is not available. Also, the magnitude and uniqueness of the project makes it difficult to assess without detailed consumer research. When further details on all aspects of the project - planning, marketing, engineering, finance and economics - have been secured, and the inter-play assessed, a more penetrating analysis of the market should be made.

APPENDIX A

SELECTED STATISTICAL INFORMATION

ON RESORTS VISITED

SELECTED STATISTICAL INFORMATION ON RESORTS VISITED

	Vertical Drop (feet)	Rates: Skiing Per Day ($)	Rates: Daily Hotel ($)	Rates: Ski Weeks ($)
1. Western U.S.A.				
Aspen, Colorado	3,500	9.00		
Vail, Colorado	3,000	9.00		
Copper Mountain, Colorado	2,800	7.00		
Sun Valley, Idaho	3,200	10.00		
Snowbird, Utah	2,900	7.50		
2. Mid-Western U.S.A.				
Boyne Country, Michigan	625	8.50	-	140-160+
3. Eastern U.S.A.				
Sugarloaf, Maine	2,600	9.00		
Killington, Vermont	3,000	9.00		
Madonna, Vermont	2,400	7.50		
Loon Mountain, New Hampshire	1,700	9.00		
Wildcat-Mount Cranmore, New Hampshire	2,100	9.00		
Lake Placid-Whiteface Mountain, New York	3,400	8.00		
4. The Laurentians, Quebec				
Chantecler	750	5.50	20-24	130-180
Mont-Gabriel	600	6.50	15-23	100-170
Grey Rocks	500	6.00	16-28	120-220
Mont-Tremblant	2,400	8.00	17-29	140-250

NOTE: For many U.S. resorts the choice of accommodation is so great that meaningful figures are impossible to quote. Daily or ski-week rates depend on the type of accommodation, the size of accommodation, the number of people in a party, the particular week selected and the extras offered in addition to accommodation. Condominium rental rates are difficult to quote for the same reasons.

APPENDIX B

CAPACITIES OF MAJOR LAURENTIAN DESTINATION RESORTS

CAPACITIES OF MAJOR LAURENTIAN DESTINATION RESORTS

	Accommodation Capacity (beds)
Mont Habitant Lodge	75
Le Chantecler	350
L'Esterel	250
Far Hills Inn	80
Grey Rocks Inn & Le Chateau	410
Le Pinoteau	95
The Parkers Lodge	30
Mont Gabriel Lodge & Le Totem	425
Mont Tremblant Lodge	300
La Sapiniere	150
Sun Valley, Hotel Suisse	100
St. Jovite Hotel	125
Le Tremblant Club	70
Villa Bellevue	125
	2,575

APPENDIX C

MAJOR COMPETITIVE RESORTS

MAJOR COMPETITIVE RESORTS

Competitive resorts are defined as those offering comparable or better skiing within an eight-hour drive of Toronto.

Laurentians

Mont-Tremblant
Grey Rocks
Mont-Gabriel
Chantecler
and others

Ski East

Mont Sutton
Mont Echo
Mont Orford
Bromont
Owl's Head
Glen Mountain
Jay Peak

New York

Whiteface Mountain

Vermont

Killington
Mid River Glen
Stowe
Stratton Mountain
Madonna
Sugarbush
and others

Central Ontario

Georgian Peaks
Blue Montain
Talisman
Hidden Valley
and others

Present Ski Areas in North-Eastern Ontario

St. Bernard Ski Village, Haileybury
Laurentian Ski Club, North Bay
Onaping Ski Hills, Onaping
Kamiscotia Ski Resort, Timmins
Raven Mountain, Virginiatown
Caswell Resort Hotel, Sundridge
Nordic Hills, Sudbury
Nipissing Ridge, Powassan

APPENDIX D

ESTIMATES OF WINTER SKIER DEMAND

ESTIMATES OF WINTER SKIER DEMAND

Market Regions	Present Population	Skiers as * % of Population	No. of Skiers	% Skiers* to Maple Yearly	No. of Skiers to Maple 1973 Base	1975 No. of Skiers X 1.2**	1981 No. of Skiers X 2.14**
North East Ontario	250,000	2	5,000	all day skiers			
Toronto-Hamilton Region	4,000,000	3	120,000	10%	12,000	14,400	25,700
Middle Ontario	500,000	2.5	12,500	10	1,250	1,500	2,700
South Eastern Ontario	1,000,000	4	40,000	5	2,000	2,400	4,300
South Western Ontario	1,000,000	1	10,000	2	200	200	400
Total Ontario	6,750,000		187,500		15,500	18,500	33,100
Western Quebec	3,000,000	7	210,000	0.5	1,000	1,200	2,100
Total Canadian Market	9,750,000		397,500		16,500	19,700	35,200
Boston, New York Region	12,000,000	2	240,000	-	-	-	-
Chicago, Detroit Region	11,000,000	2	220,000	-	-	-	-
South of Lake Ontario	4,000,000	2	80,000	1	800	1,000	1,700
Adjacent States	30,000,000	1	30,000	-	-	-	-
Total U.S. Market	57,000,000		840,000				
GRAND TOTAL	67,000,000		1,200,000		17,300	20,700	36,900

* P.S. Ross Estimates

** 10% per year Compound Increase

APPENDIX E

ESTIMATES OF SUMMER VISITOR DEMAND

ESTIMATES OF SUMMER VISITOR DEMAND

Calculations for Canadian and U.S. visitors were made separately.

Canadian

Using historical tourist data and projecting it to 1975, it is estimated that Ontario residents will make 2.2 million summer vacation trips in 1975. Half of these are four or more days long or 1.1 million trips. Of these, 3.5 percent are to resorts. Therefore, Ontario residents will make about 40,000 trips in 1975 to resorts where their stay will be over three days. Each trip represents 3.5 people giving 140,000 people. If Maple Mountain attracted 10 percent of that number they would get 14,000 visitors. We have assumed a further 10,000 will come from other provinces or will be attracted to Maple Mountain even though they do not normally spend their vacation at resorts. In total, therefore, it is estimated that Maple Mountain will attract 24,000 people from Canada.

U.S.A.

Projections of historical data indicate that U.S. residents will make about 1,000,000 trips to Ontario in 1975. Half of those, or 500,000 are for three or more days and 12 percent of those are to hotels or resorts. Therefore, 60,000 trips or 190,000 people, at 3.2 people per trip will visit resorts in Ontario in 1975. If Maple Mountain were to get 5 percent of those it would total 10,000 people. It is assumed that a further 5,000 will be comprised of visitors who would otherwise not be attracted to Canada or would not necessarily vacation at a resort. Total U.S. residents at Maple Mountain each summer is estimated at 15,000.

All Markets

Total estimated annual summer demand for Maple Mountain, assuming competitive prices, is 40,000 visitors. The core summer season will be 12 weeks or 84 days. At an average stay of five days the summer season is comprised of 17 periods.

APPENDIX F

ESTIMATES OF COMMERCIAL SPACE REQUIRED

ESTIMATES OF COMMERCIAL SPACE REQUIRED

Total number of visitors days per year is 500,000:

Winter	225,000
Summer	210,000
Shoulder Seasons	75,000
	500,000

The average daily commercial expenditure is $12 - $16, yielding anticipated total yearly revenues of $6.0 million to $8.0 million. At one square foot for each $100 of revenue the space required would be in the range of 60,000 to 80,000 square feet.

PLAN FOR THE DEVELOPMENT OF SKI FACILITIES AT MAPLE MOUNTAIN

A REPORT TO

SPECIAL PROJECTS AND PLANNING DIVISION

ONTARIO MINISTRY OF INDUSTRY AND TOURISM

February, 1973

P. S. ROSS & PARTNERS

P. S. ROSS & PARTNERS
MANAGEMENT CONSULTANTS 90 SPARKS STREET / OTTAWA 4 / CANADA / 236-9662

28 February 1973

Mr. R. L. Brock
Director
Special Projects & Planning Division
Ministry of Industry and Tourism
900 Bay Street, Queen's Park
Toronto, Ontario

Dear Mr. Brock:

We are pleased to submit our report entitled "Plan for the Development of Ski Facilities at Maple Mountain". We believe that there is sufficient detail contained in this report to enable you to progress to the next stage in the overall planning process. If, however, there are specific segments that require more detail, we would be pleased to discuss them at your convenience.

We would like to give special acknowledgement to Mr. Alan Raine, Program Director for the National Alpine Ski Team, for his invaluable contribution to the overall study, and especially to the ski slope design portion.

As the planning proceeds, we expect that there will be situations arising which will require alterations to the initial plan. This re-cycling is the very essence of the planning process, and we of course will remain available to comment on these adjustments and modifications as they occur.

/...2

We wish you every success with the Maple Mountain project.

Yours very truly,

P. S. ROSS & PARTNERS

B. D. McDougall
Partner

James W. Wyse
Consulting Associate

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I. SUMMARY

The Maple Mountain site is colder than competitive areas, but the slightly greater frequency of sunshine and the use of the south-east face out of the prevailing wind will help to offset the lower temperatures.

The proposed hill layout is more comprehensive, and offers substantially more variety than any existing Ontario ski areas. However, with a maximum vertical drop of about 900', the area is significantly below Mont Tremblant's 2,100' vertical, or the 1,000'-1,500' vertical drops that are commonplace in the Eastern Townships and Vermont. If vacationing skiers select their destination on the basis of vertical drop, then Maple Mountain does not offer skiing comparable to the above regions. Both of the above and Maple Mountain are all about the same distance from Toronto. If, however, the choice of resort is a result of other criteria, and skiing is not the primary influence, we feel confident that the proposed hill layout will offer an interesting variety of ski terrain.

Every level of skier is provided for with an interwoven network of lifts and runs that the vacationer can explore at length. We do not feel that there is an appreciable quantity of developable terrain remaining with the exception that surface lifts with small vertical drops may be added to the system in future years, as required.

The use of a gondola, or a chair to which gondolas can be added during the off-season, will offer a unique and popular summer activity, and should more than repay the initial higher capital outlay in a short period of time. The total area of the ski slopes proposed is 216 acres, serviced by one gondola, one triple chair and nine double chairs. This design will provide comfortable skiing conditions for 4,300 skiers.

The cost of developing high quality skiing facilities for 4,300 skiers will be approximately $4.1 million.

II. SKI OPERATIONS EVALUATION

The objective of this segment of the overall study program is to determine the quantity of skiable terrain available at Maple Mountain that is consistent with the development concept. A proposed layout is included with this presentation. Approximate gross cost estimates to develop the suggested facilities are included.

The area planning was based upon the detailed contour maps supplied by Special Projects. We have been advised by the engineering consulting firm of Marshall, Macklin, Monaghan Ltd., that there could be an understatement of the true vertical measurements shown on these maps, by as much as 10%. This report uses the map elevations as they are shown. A two-day, on-site inspection was conducted on November 24 and 25, 1972, to visually establish the feasibility of ski potential for the major problem areas, and to survey adjacent hills for future expansion potential.

GENERAL PHYSICAL DESCRIPTION

Maple Mountain is a drumlin-like ridge running almost ten miles in a north-east to south-west direction. The best ski potential is on the south-east side.

Statistically, Maple Mountain has the following profile:

Highest elevation - 2085 ft. (Fire Tower)

Bottom elevation - 970 ft. (Tupper Lake)

Apparent vertical drop - 1100 ft.

Overall length of ridge - 10 miles

The potential ski terrain is interrupted often by cliffs (Map 1) and on a smaller scale by rolling rock outcrops that run at right angles to the fall line. There are only two places on the whole south-east face of the mountain where the full skiable vertical drop of almost 900' can be used without interruption.

Halfway up the mountain there are a scattered number of flat sections that contribute to the difficulties in developing the total vertical potential. These are also clearly evident on Map 1.

The whole area is thinly covered with top soil, with the Precambrian bedrock never more than a few feet below the surface and there are many rock outcrops. With this kind of terrain, careful conservation of all soil or soil-building materials is extremely important during the clearing operation. Extensive blasting will be required in several areas to reshape the surface for skiing purposes.

The trees are a mixture of coniferous and deciduous trees with a large number of splendid old pines at higher elevations that have somehow escaped the early logging operations. We have made no attempt at this stage to locate trails around these stands, but during the construction phase, every precaution should be taken to save these trees. During the bleak Ontario winter, the greenery provided by these majestic trees will certainly enhance the area.

Swampy areas border all the lakes in the region. In some cases, swampy sections are found at higher elevations where there are natural bowls or traps, which prevent normal drainage. Ice does not form as quickly in the swampy areas as it does on the open water. Some of the proposed ski trails are to terminate on water; therefore, it will be desirable to eliminate selected swampy conditions for the safety and comfort of the early season skiers.

CLIMATIC CONDITIONS

Although direct weather observations have not been made at the Maple Mountain site, there are a number of Canadian Government weather stations on almost every side of Maple Mountain from which useful comparisons can be made.

Wind

Wind records for Earlton Airport, which is located 30 miles to the north-west indicate that the predominant winter wind direction is from the north-west with a 28% frequency. South-easterly winds are the next most frequent, occurring 9% of the time.

Since the ski slopes are located on the south-east face, the cold north-west winds will not be blowing directly on the ski slopes. Local wind conditions are not known, and further wind studies with automatic recording equipment should be conducted for the winter of 1972-73 to determine if the predicted wind behaviour in fact occurs.

Temperature

Table 1 is a synopsis of several weather records collected since 1941 by the Atmospheric Environment Service. It is clear that during the coldest months, the Maple Mountain area is at least 3 degrees below the Laurentians, which is the lowest of the other areas selected. It is 7 degrees colder than the Eastern Townships, and almost 15 degrees colder than the Collingwood area.

South-facing ski runs and careful arrangement of these trails can minimize the impact of the cold, but it will nevertheless result in more lost ski days than any of the other areas shown in the comparison.

Snowfall

Despite a low total snowfall, Maple Mountain appears to receive a reasonable quantity of early season snow in November (Table 1). In total snowfall, the area is very similar to Camp Fortune and Collingwood, both of which rely on snowmaking equipment. In fact, most of the important ski areas in eastern North America have installed or are installing snowmaking systems to eliminate the risk of poor snow conditions throughout the season. We strongly recommend this approach as well for a section of the total developed area of Maple Mountain.

Sunshine

Sunshine information is extremely sketchy, but the available data (Table 1) indicates that the Earlton area receives more clear days than the other areas shown during every winter month. Nevertheless, we recommend that observations be made throughout the 1972-73 winter to ensure that no unusual detrimental local weather conditions exist around the immediate Maple Mountain vicinity. Sometimes an unusually high land mass will cause clouds to form locally, and in a remote area like Maple Mountain this would not have been observed and recorded. Needless to say, good sunshine is a strong selling point, and the available data indicates that the region does receive more winter sun than the others shown.

SKI TERRAIN ASSESSMENT

For analytical evaluation purposes we have divided the region into five sections, which in order from the south to the north are:

1. South Hill - the hill with its peak located 3.5 miles south of the fire tower;

2. South Ridge - the ridge area running directly south from the fire tower;

3. Tupper Lake - the area uphill (west) from Tupper Lake and to the south, including the original village site;

4. Handel Lake - the area uphill (west) from Handel Lake and north for about 2 miles;

5. The North End - the area from Aneroid Lake extending around the north end of the Maple Mountain ridge.

Comments

1. South Hill - poor potential:

   * too flat on all sides;

   * little variety or potential for the intermediate-expert skier;

   * cliffs located at the wrong strategic points where lift terminals would logically be placed on the eastern face;

   * skiable vertical drop maximum is 500'.

2. South Ridge - limited potential

   * the top of the ridge is exposed to the north-west winds, it is treeless and would have difficulty keeping its snow; skiers would be cold up here;

* the run itself would be very flat;

* the surface is all exposed rock, which could require extensive blasting;

* the lower terminal has no alternate access; it is a dead end;

3. Tupper Lake - good potential:

* practical top elevation - 1900'
  practical bottom elevation - 1175'

  skiable vertical drop - 725'

* the hill is interrupted by a flat section at about mid-height;

* the remaining slopes above and below this flat are of mixed pitch and although short in length, offer good variety;

* the ground surface is lined in some areas with small rock outcrops which cross the fall line and will have to be removed, particularly from the novice runs;

* the base of the cliff is the practical top limit for skiing, which also keeps the unload point out of the north-west winds, and unexposed.

4. Handel Lake - the best potential:

* practical top elevation - 1985'
  practical bottom elevation - 1125'

  skiable vertical drop 860'

* the area is somewhat less interrupted by cliffs and flats than the other sections allowing better utilization of the full vertical drop;

* the land mass is quite irregular, so that ski hills will face in almost every direction but westerly;

* the cliff at the top restricts the use of the upper area, but the creek drainage course does afford a novice/intermediate route down from the 1985' elevation;

* rock ridges up to 6' in height obstruct some of the runs and will require blasting to remove;

* there is a good mixture of terrain for all levels of skier ability;

* the base elevation is reasonably close to a possible village site at Handel Lake, which will allow integration of the skiing and the village site;

* the base area is close to the planned road access to the resort.

5. The North End - poor potential

* a cliff at mid-height extends all the way around to the north end of the ridge, making worthwhile skiing in this area an impossibility.

The Ski Area Plan

Referring to Map 2, all the lifts are numbered and the runs or trails are lettered. Catwalks or small connections have no designation.

The network was designed with the following criteria:

1. The mix of terrain should be as close to the ideal as possible, which is:

Beginner/Novice	30%
Intermediate	50%
Expert	20%

However, because of market considerations, the slope design has been in favour of the novice rather than the expert. (Table 2)

2. Skiers of all levels should be capable of "exploring" the full network, and not be trapped in a section which is beyond their skiing ability, while at the same time experts and intermediate should be able to find challenging terrain throughout the system.

3. Long runs were only planned where the terrain permitted these runs. We did not carry trails across long flat sections simply to have long, but low quality runs.

4. Trail widths are never narrower than 150' and can be up to 250' wide. At some trail confluence points, the width is increased to accommodate the heavier traffice Also, the beginner/novice skier can handle steeper terrain for short periods, providing there is additional width provided. Catwalks need not be wider than 30'.

5. Consistent with luxury resort planning, all major lifts are recommended to be at least chairs. In later years, it may be advantageous to develop some small secondary runs to tie in with the major trail system. T-Bars are acceptable for this type of application.

6. Walking distances are less than 500', and, in fact, the system is so designed that the skier need not walk at all!

7. Two direct access lifts serve the proposed village site and the opportunity for a third lift, which would only be used for transport purposes exists to the east of lift No. 9 running also to the village site.

8. Skier densities are generally considered to be acceptable at 30 skiers/acre overall. We have endeavoured to reduce the density at Maple Mountain from this level. The proposed plan achieves a density of 20 skiers/acre overall (Table 3).

Design Summary

The proposed hill layout can comfortably accommodate 4,300 skiers at one time (Table 4). We believe that the bed/skier ratio for major resorts is about 100/60, in which case the village size that would be in balance with the ski facilities would contain 7,200 beds.

Table 5 indicates the level of difficulty for each of the 19 trails designed, as well as the acerage required for each.

With the exception of the village access run "S", the shortest vertical drop is 375' the largest is 860', and the average is 580'. These statistics compare very favourable with any other Ontario ski area.

Grooming

A major ski resort must have a comprehensive snow grooming program. Weather changes can turn beautiful, natural powder snow into an icy unskiable surface within hours. The only solution to this unpredictable and potentially costly problem is to groom the slopes.

Snow grooming, or snow farming as it is often termed, consists of two major functions, which are:

1) Levelling and conditioning the snow surface by using blades and special drag equipment, and

2) Moving snow from the built-up areas to cover the bare spots which occur under heavy traffic.

Surface lifts (T-Bars, Pomas, etc.) require constant grooming of lift lines which can become an expensive nuisance, and is a good reason for using aerial lifts exclusively.

Grooming equipment has changed rapidly during the last few seasons. A suggested line-up of equipment adequate to groom the proposed layout would cost approximately $132,000, and is listed in Table 6.

Mechanical Equipment and Vehicles

Lift equipment being mechanical must be maintained to yield optimum performance. By purchasing all lift equipment from the same supplier, standardization of spare parts can occur, and the down-time caused by slow delivery of required parts can be diminished. It is

advisable also that the lift supplier be located within a reasonable distance in the event that a major breakdown occurs requiring a factory visit to correct.

An assortment of trucks, and other mechnical equipment will be required, but this equipment might possibly be integrated with the village for common use by both.

Aside from the normal shop fixtures such as welders, cutters, drills, lathe, press, etc., several trucks and a snowplow with salt spreading capability will be required. For clearing work, chain saws, and a wood chipper to reduce the brush to chips will be useful. Table 7 is an approximate summary of this equipment, which is estimated to cost about $85,000.

Snowmaking

To successfully market Maple Mountain it will be essential to have reliable snow conditions throughout the season. A high capacity snowmaking system will be required on at least the popular hills in the central core of the network.

Snowmaking is particularly important for steep terrain, so that the grooming equipment will have enough snow to move around and cover the bare spots.

The minimum system required would include the following lifts and trails.

Lift No.*	Trail Description*	No. of Acres
10	S	3.4
1	D	20.3
	E	23.7
2	F	13.0
	G	11.8
Miscellaneous Connections		5.0
TOTAL		77.2

* Map 2

The snowmaking system should be of the air-water type such as is designed by North American Engineering of London, Ontario. For the initial 77-80 acres proposed for snowmaking, the water and air requirements will be 1000 U.S. g.p.m. and 6,000 c.f.m. respectively.

The installation must be custom designed for the site, but our experience has been that a system of this magnitude will cost about $500,000 or about $6,500 per acre.

A logical approach would be to build main trunk lines large enough to handle the ultimate anticipated capacity, but initially the installation need only cover the above recommended area.

The so-called airless systems consist of a heavy sled which contains all of the mechanical power needed to convert water to snow. Because of their weight and size, these units are difficult to manoeuvre on steep terrain, but they can be useful on gentle slopes. Since their noise level is somewhat lower than the air/water guns, the airless equipment can be used closer to residences during the night. Another major problem with this type of unit is that it cannot produce snow unless the termperature is at least several degrees below the freezing level, and it is during these marginal periods that snowmaking is often required.

Snowmaking technology is still in a dynamic state, with some innovations being introduced every year. However, the major items, the pumps, compressors and piping have not undergone radical change. System costs have risen recently due to price increases for the components.

Lodges and Buildings

The day lodge system for skiers should be integrated with the village site, but whether the core area for the skiing can be the village focal point as well may present a planning problem. On Table 8 we have presented the area requirements, by function, for all the ski-related activities at Maple Mountain. Obviously, there is a great deal of flexibility in deciding how and where these facilities should be located. At this point, we would prefer to suggest a few broad planning guidelines, and to leave the location and arrangement of these facilities to the planners. We would like to have the opportunity to provide further comment when they have completed this portion of their work.

Our suggestions are:

* The main lodge space should be provided close to the base of lifts 1, 3, 4, and 5, and if possible be integrated with the village layout.

* A "lookout" lodge of approximately 5,000 s.f. would be an attractive feature at the top of the gondola lift No. 1.

* An additional day lodge to serve the day visitors of about 3,000-4,000 s.f. should be considered near the base of lifts No. 7 and 8.

* The maintenance building must be accessible by road for the trucks, close to the slopes for the snow vehicles, and yet located out of sight.

* The snowmaking pump house must be near a good water supply and power source, and need not be hidden away if the exterior is dressed up appropriately.

Table 8 is an analysis of the lodge functions to be provided, their respective areas, and a cost estimate. If the lodge designs involve extraordinary construction costs, then these estimates could change significantly. The total estimate for building costs is $1,412,550.00, but most of this total should be integrated with the village hotels.

Parking

We have assumed that the parking requirements will be included in the planning for the village. However, if parking lots are to be built, we have found that about 150 cars can be parked per acre of plowed parking lot. Construction costs of parking areas could vary drastically depending on how much filling and/or excavating must be done to the site. With snowy conditions, level parking areas prevent large numbers of stuck cars.

Cross Country Skiing

Cross-country or trail skiing is growing in popularity, and the Maple Mountain area is ideally suited for this kind of activity. The logging roads that weave in and around the area provide an excellent beginning for a trail system, and an arterial system could be laid out quite easily. Trail cutting itself is not an expensive procedure, and it normally includes simple brush clearing and removal of relatively few trees.

Points of caution are:

* A well designed trail will have uphill and downhill sections, but neither should continue for undue lengths (say 1,000 feet maximum).

* People lost or injured on a trail system can be difficult to find and remove to safety. The system should include provision for small tracked vehicles to circumscribe the area at a lower elevation, so that toboggans are towed preferably downhill to recovery points.

* Trail markings and maps must be developed.

* Trail skiers are happy to arrive at a warming hut with wood stove, where they can cook their own meal before returning. These lodges should be at convenient turn around distances from the start of the trail system, say $2\frac{1}{2}$, $3\frac{1}{2}$ and 5 miles out.

* The trails must be wide enough to be machine groomed.

* Snowshoes and hikers will spoil the track if allowed onto the trails, and snow vehicles will have the same effect.

* Lighted trails have been well received in the Scandanavian countries, where cross-country skiing is long established.

* The best way to approach cross-country skiing activities will be to engage a person familiar with all aspects of this sport. He should be especially strong in instruction and trail supervision. Cross-country rentals and merchandise purchases for the shop can be easily transferred to the area ski store manager.

In short, the really capable cross-country skiers will not visit Maple Mountain resort and pay a relatively high price for accommodation to simply use the local trails. However, the alpine skier may well rent some equipment for a day and take off into the woods with

little or no instruction. Therefore, we suggest that the trail system should wind around close to the area, and not have "difficult" trails since most of the participants will only be seeking a change of pace, and who will in all likelihood return to the alpine slopes on the following day.

International Ski Races

National and international level ski races are sanctioned by the Canadian Ski Association, and application to hold an event must be made to the C.S.A. The three types of recognized races are:

1) Downhill,
2) Giant Slalom, and
3) Slalom.

The physical features of each mountain dictates what type of race may be held there. A complicated set of design criteria are used to determine the acceptability of each site, and the major limitation at Maple Mountain is its vertical drop.

A downhill race course could not be laid out at Maple Mountain that would be long enough to conform to international (F.I.S.) limits. However, it is possible that a Giant Slalom course could be found, and certainly an acceptable Slalom course will exist there. Georgian Peaks near Collingwood, has hosted F.I.S. approved Slalom races, and its vertical is less than Maple Mountain is projected to be.

Application to hold a race should be made about a year ahead of the proposed event, and after the trails have been opened for skiing so that they can be tested. Applications should be made to:

The Canadian Ski Association
333 River Road
Ottawa, Ontario

Cost Estimates

The total cost is estimated at $4.1 million or approximately $948. per skier (Table 9). This total only relates to skiing activities and does not include any costs for the accommodation or infrastructure.

Operating costs have been derived from the experience gained at other ski areas, and altered to match the size of the Maple Mountain

complex. Food service has been left out, since these revenues and expenses will be assumed by the hotel operator in the area who would be best suited to provide this revenue. Table 10 is a summary of the annual operating costs for the ski-related functions, based on 1972/73 rates, which totals $1,105,000 per year.

TABLES 1 - 10

TABLE 1

MAPLE MOUNTAIN

TEMPERATURE, SNOWFALL AND SUNSHINE COMPARISONS

	Year	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Mean Daily Temperature (Degree F)							
Haileybury (Maple Mountain)	38.6	30.1	13.5	6.3	9.8	22.2	38.2
St. Agathe (Laurentians)	38.5	30.0	14.8	9.4	12.3	23.1	37.6
Sault Ste. Marie (Boyne Mtn.)	39.3	33.3	19.4	15.0	15.1	23.5	37.0
Chelsea (Camp Fortune)	41.4	34.3	17.6	10.7	12.6	24.8	40.4
Sutton (Eastern Townships)	41.6	35.0	19.0	13.4	15.2	26.5	40.5
Collingwood	44.7	38.7	25.2	20.7	21.2	29.0	41.9
Mean Snowfall (Inches)							
Haileybury	93.3	11.5	19.1	20.1	18.5	13.5	6.6
Ste. Agathe	119.5	15.1	28.9	23.8	23.5	19.4	6.2
Sault Ste. Marie	105.0	15.7	21.8	26.2	20.2	15.0	2.9
Chelsea	91.2	8.7	24.3	21.4	19.4	14.3	2.4
Sutton	123.1	12.0	29.0	24.9	28.7	16.4	7.4
Collingwood	96.9	10.2	27.2	27.0	17.1	12.5	2.2
Cloud Normals 0 - 2/10 Cloud Cover Frequency (Percent of Time at 2/10 or Better)							
Earlton (Maple Mountain)	29	14	26	31	32	35	33
Ottawa (Camp Fortune)	29	19	24	28	31	33	29
Wiarton (Collingwood)	27	12	10	13	20	28	29
Montreal	27	23	25	27	28	30	27

TABLE 2

MAPLE MOUNTAIN
SKI HILL DIFFICULTY SUMMARY

	Acres	Actual Mix	Suggested Ideal Mix
Novice (less than 10^{o})	85.1	39.4 %	30%
Intermediate (10^{o} - 20^{o})	101.7	47.1 %	50%
Expert (20^{o} plus)	29.1	13.5 %	20%
	215.9	100.0 %	100%

TABLE 3

MAPLE MOUNTAIN
SKIER DENSITY SUMMARY

Design maximum number of skiers at the area	- 4300 skiers
Number of skiable acres	- 216 acres
Overall average skier density	- 20 skiers/acre
Normally accepted design limit	- 30 skiers/acre

TABLE 4

MAPLE MOUNTAIN
LIFT DESIGN AND AREA CAPACITY SUMMARY

Lift No.(3)	Lift[2] Type	Capacity Skier Per Hour	Top Elev.(ft)	Bottom Elev.(ft)	Vertical Drop (ft)	Vertical Transport Feet/Hour (000's)	Length of Lift (ft)	Hill Holding Capacity (Skiers)	Special Notes
1	G	1200	1985	1125	860	1032	5600	511	
2	2C	1200	1975	1275	700	840	3000	370	
3	2C	1200	1655	1125	530	636	3400	400	
4	2C	1200	1725	1100	675	810	3560	388	
5	2C	1200	1700	1180	520	624	2300	302	
6	2C	1200	1680	1080	600	720	1800	238	
7	2C	1200	1765	1175	590	708	3700	304	Mid-station unload only
8	3C	1800	1900	1175	725	870	4200	636	
9	2C	1200	1650	1180	470	864	2900	318	
10	2C	1200	1270	1050	220	264	2400	204	Mid-station load/unload
11	2C	1200	1650	1275	375	450	2000	262	
TOTAL						7518[1]		3933	
TOTAL (Rounded up 10%)								4300[1]	

NOTES:
1. Comparison to Camp Fortune is 3273 VTF/Hr. for 3000 skiers/day comfortable capacity
2. 3C is a triple chairlift, 2C is a double chairlift, G is a gondola
3. See Map 2

TABLE 5

MAPLE MOUNTAIN
SKI HILL DESIGN CHARACTERISTICS

Hill Designation (2)	Top Elev. (ft)	Bottom Elev. (ft)	Vertical Drop (ft)	Slope Length	Acres	% of Total	Degree of Difficulty (1)
A	1650	1180	470	3350	11.5	5.3	N-I
B	1655	1275	380	2150	7.4	3.4	I-E
C	1655	1275	380	2650	9.1	4.2	N
D	1985	1125	860	5890	20.3	9.3	I-E
E	1985	1125	860	6880	23.7	11.0	N
F	1975	1275	700	3760	13.0	6.0	E
G	1975	1275	700	3430	11.8	5.5	I
H	1650	1275	375	2340	8.1	3.8	I
I	1650	1100	550	2670	9.2	4.3	I
J	1725	1100	625	4280	14.8	6.9	I
K	1680	1100	580	2480	8.6	4.0	N-I
L	1680	1080	600	2000	6.9	3.2	I-E
M	1680	1080	600	2000	7.2	3.3	I-E
N	1610	1175	435	1950	8.7	4.0	E
O	1610	1175	435	2140	7.4	3.4	E
P	1765	1325	440	3730	12.9	6.0	N
Q	1900	1175	725	4650	16.0	7.4	I
R	1900	1175	725	4680	15.9	7.4	N-I
S	1100	1050	50	1000	3.4	1.6	N
Sub-Total					215.9	100.0	
Connecting Trails at 30' width				9500	6.5		
Lift Lines at 30' width				2300	15.8		
TOTAL					238.2		

NOTES: 1. N is Beginner/Novice
I is Intermediate
E is Expert
2. See Map 2

TABLE 6

MAPLE MOUNTAIN

SNOW GROOMING EQUIPMENT SCHEDULE

No.	Description[1]	Attachments	Total Cost
3	Thiokol 2100	"U" blades: Powdermakers	$75,000
1	Bombardier, Ski Dozer	"U" blade	25,000
1	Thiokol Spryte	Lift line drag (if necessary) Trail grooming drag "U" blade	17,000
1	John Deere (small bull-dozer)	Wide tracks, blade	15,000
6			$132,000

NOTE: 1. Brand names are shown, but the equivalent equipment from other manufacturers is certainly acceptable.

TABLE 7

MAPLE MOUNTAIN

MECHANICAL EQUIPMENT : VEHICLE SCHEDULE

No.	Description	Total Cost
4	Trucks - $\frac{1}{2}$ - 1 Ton (at least 1 FWD)	$20,000
-	Miscellaneous welders, presses, drill, etc. for shop	20,000
-	Parts inventory	15-20,000
1	Backhoe attachment for John Deere	46,000
1	Snowblower - attachment for John Deere	5,000
1	Snowplow, with "wing", and salt capability, FWD	20,000
TOTAL		$85,000

TABLE 8

MAPLE MOUNTAIN

SPACE REQUIREMENTS FOR 4,300 SKIERS

Function	Sq. Ft. per Skier	Total Area Required (Sq. Ft.)	Total Cost Estimate
Lodge Items (1)			
Eating, Resting	8.00	34,400	
Kitchen space	1.00	4,300	
Washrooms	0.80	3,440	
Babysitting (2)	0.30	1,290	
Information, Lost, Found, Ticket Sales	0.15	645	
First Aid	0.25	1,075	
Administration	0.50	2,150	
Ski Shop including repairs, rentals	1.00	4,300	
Ski School	0.15	645	
TOTAL AREA		52,245	
Cost Estimate at $25 / sq.ft.			$1,306,125
Mechanical Items			
Maintenance building	1.25	5,375	
Snowmaking Pumphouse	0.40	1,720	
TOTAL AREA		7,095	
Cost Estimate at $15 / sq.ft.			$ 106,425
TOTAL		59,340	$1,412,550

(1) These items to be integrated with the village layout.

(2) Subject to Provincial Regulations.

TABLE 9

MAPLE MOUNTAIN
PRELIMINARY CAPITAL COST ESTIMATE

1.	Clearing and hill development - 240 acres at $2500	-	600,000
2.	Lift Construction by Number		
	1 $800,000		
	2 200,000		
	3 200,000		
	4 200,000		
	5 175,000		
	6 175,000		
	7 200,000		
	8 275,000		
	9 150,000		
	10 150,000		
	11 130,000		2,655,000
3.	Snowmaking system - Phase 1: 80 acres		500,000
4.	Grooming equipment - 6 vehicles (Table 6)		132,000
5.	Mechanical equipment: trucks (Table 7)		85,000
6.	Miscellaneous Secondary Lodges (See Table 8)		1,306,000
7.	Maintenance Building: Snowmaking Pumphouse (Table 8)		107,000
8.	Parking Lot (no estimate)		
	TOTAL ESTIMATE INCLUDING ITEM 6		5,385,000
	TOTAL ESTIMATE NOT INCLUDING ITEM 6		4,079,000

TABLE 10

MAPLE MOUNTAIN

ANNUAL OPERATING COST ESTIMATE
FOR SKI AREA FUNCTIONS

Heat, Light, Power	$ 50,000
Insurance	25,000
Advertising (discretionary) (1)	--
Interest (no details of finance)	--
Wages (2)	700,000
Maintenance	220,000
Miscellaneous office, etc.	75,000
Professional Fees	35,000
Depreciation (non-cash charge)	--
	$1,105,000 / year

Assumptions in the foregoing:

1. Advertising should be an area responsibility, and would be expected to be higher than normal. A "normal" budget could be $150,000 / year.

2. Wages include ski school and ski shop staff at $50,000 and $25,000 respectively.